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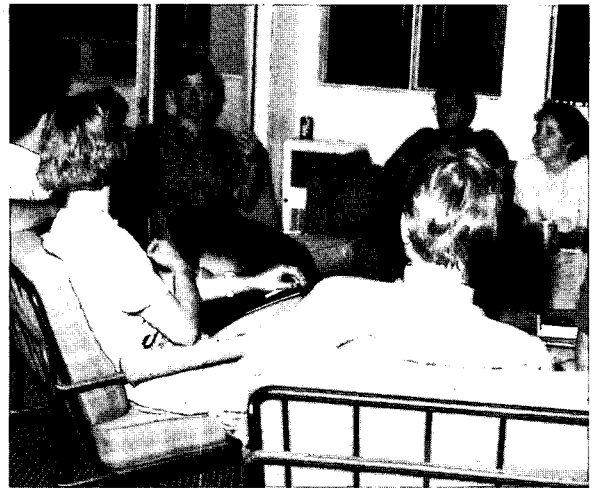

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Free Minds and Free Markets

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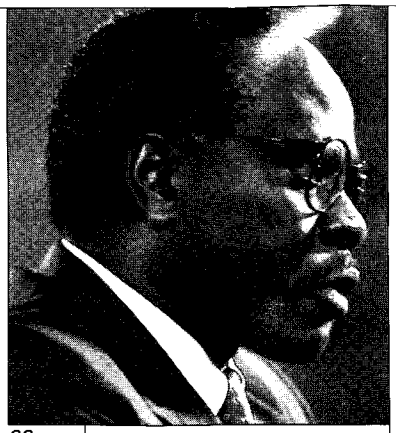

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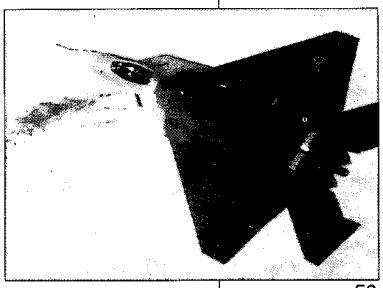

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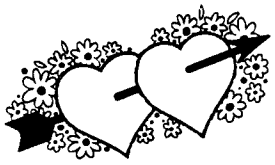

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NEW BEDFELLOWS

VIRGINIA I. POSTREL

Back when the nation's political attentions were focused more on Louisiana than on New Hampshire, a TV reporter interviewed a woman who said she was a fervent David Duke supporter. The reason, she said, was all those blacks on welfare—they were ruining the state. But, responded the bewildered reporter, you yourself are on welfare. How can you say that?

"They get more," the woman replied.

"They get more." It is a slogan for the new political age.

"They" are sometimes blacks, and sometimes whites. Sometimes women, and sometimes men. Sometimes the rich, and sometimes the poor. And, this season, "they" are especially foreigners—from maids and migrant workers to Honda and Hitachi. "They" are the ones who are getting what "we" want, or need, or have.

The politics of resentment are abroad in the land—and this time they aren't the monopoly of egalitarian Democrats buying votes with envy. The recession is an obvious reason for the surge of resentment. But it is, despite the pain, too fleeting to explain the whole phenomenon.

Nor is quadrennial Democratic opportunism all there is to it. They may love economic nationalism and hate "the rich," but the Democrats can hardly be held responsible for the rise of David Duke (much as they might benefit from that rise).

No, the politics of resentment spring from something less transient and more systemic. Ours has become a pie-splitting society, more concerned with dividing the wealth than with increasing it. The transformation is neither total nor irreversible, but it is dangerously advanced.

The reason for this transformation lies not in any particular platform but in a basic lack of understanding. Although few Americans would say they prefer redistribution to growth, even fewer understand where wealth comes from. And among those few, fewer still appreciate the tolerance necessary to stave off a future of resentful pie splitting.

Consider this year's populists, Tom Harkin and Pat Buchanan. For supporters of free markets, Buchanan's supply-side sermons are invigorating, Harkin's laborite gospel chilling. But though they cite different prophets, the two candidates offer the same homily.

Harkin says we should stop "sending our money and our jobs overseas." Buchanan denounces George Bush for having put the economic boom "on a fast track to Mexico." Buchanan is a more-colorful phrase-maker than Harkin. But the message is the same: We must build walls—to keep our companies in and theirs out, our jobs in and their workers out, our money in...and theirs out.

Harkin does not worry about justifying his message. His labor-union supporters have always feared the international marketplace, with its checks on their demands for higher wages and more regulations. His world view assumes a limited pie and an ongoing struggle between management and labor, evil and good, "the rich" and everyone else.

But Pat Buchanan should know better. And one suspects he does.

While he can articulate a cogent and serious case for cutting foreign aid or reducing overseas entanglements, Buchanan gets blurry and defensive when asked about trade. He opposes a free trade agreement with Mexico, supports higher textile quotas, and hints that big tariffs might be wise. But he never really explains why these are good ideas.

When George Will asked how a conservative could be such a protectionist, Buchanan answered all too literally. Rather than respond to the underlying question—how to square a call for more regulation, bigger government, and higher taxes with his putative free-market leanings—he appealed to conservative icons. Barry Goldwater opposed free trade, he said; so did Strom Thurmond and Prescott Bush, father of George. Buchanan could cite role models but no principles.

In place of ideas, he countered with the legitimate anguish of American business, overtaxed and overregulated. It isn't fair, he said, to let plants in countries without minimum-wage laws or environmental regulations compete for business with factories in the United States. We have to protect our jobs from our politicians.

Unfortunately, Buchanan's policy would trap us in Harkin's world. The threat of international competition is the one true weapon overregulated enterprise has against overweening government. When jobs go abroad—or even leave California for Nevada—regulatory enthusiasts tend to back down.

To create the walled-in America Buchanan envisions would require more than simple tariffs and a lower living standard. It would mean clipping the cables that connect the world's financial markets, imprisoning American capital. It would mean plant-closing laws to the *n*th degree, lifetime contracts at any cost. It would turn American employers into government employees, subject to the whims of Tom Harkin and his allies—and unable to ever escape.

It is the vision of a desperate man. And perhaps Buchanan does simply despair of

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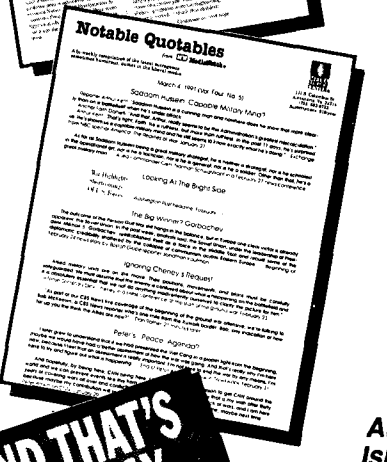

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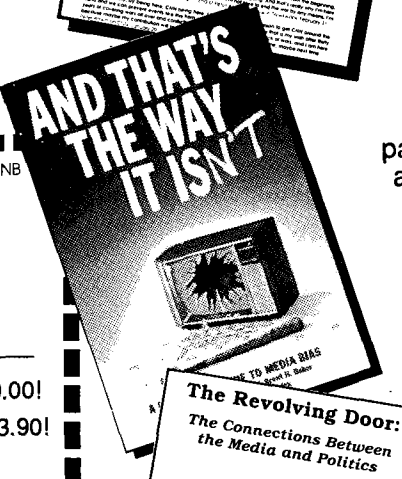

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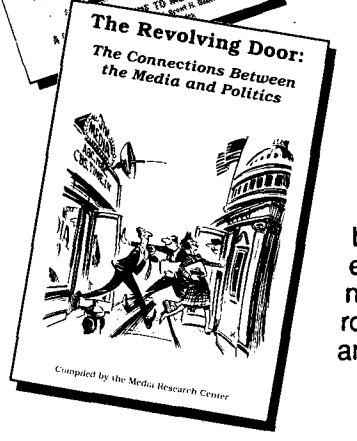

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political change. But one sees in his vision, and in Harkin's, a more general fear of change. And that is where the contradiction arises.

Harkin, and his less-populist fellow Democrats, would like a larger pie, if only to give them more to redistribute. They talk much of getting America moving again. But they dislike the sources of wealth—the uncontrolled and uncontrollable search for new ways of doing things, the contracts between consenting adults, the risk taking, and, yes, the quest for profit. They dislike the unpredictable and the undirected. The Democratic impulse is to plan, to regulate, to divvy up the subsidies and bring in the lawyers.

Buchanan, by contrast, professes seemingly real ardor for free markets and economic growth. But their results make him nervous, especially when they lure brown people into his neighborhood, his America. He, too, is tempted to meddle. Supporting growth but fearing change, he can't muster the tolerance that permits the very freedoms of which he is so fond.

In that, he is a true populist. We are all tempted to meddle. Other people's choices so often seem so wrong, so foolish, so risky. It is hard to say hands off.

But one exception leads to another and another and another. With a thousand cuts, one may slice a pie. But one may also kill the goose that lays golden eggs. And having done so, one will soon have nothing but the cry, "They get more." ◼

GEORGE BUSH, MEANIE

RICK HENDERSON

When Pat Buchanan launched his presidential campaign, he called George Bush "a man of graciousness, honor, and integrity...." Perhaps without realizing it, Buchanan identified the reason the Bush administration is in trouble.

Pundits see Bush lurch from one position to another and say the man has no principles. Actually, a deeply felt set of beliefs guides his presidency. To put it simply, George Bush is driven and motivated by niceness. He believes federal policies should be guided by the same rules that govern personal conduct.

It's easy to see Bush making the personal political in foreign policy. He led us into the Gulf War because you stand up to bullies. He stuck by Mikhail Gorbachev because you don't abandon your friends. He has given a cold shoulder to Israel—leaving aside any merits of the Arab demands—because Yitzhak Shamir is a rude, unpleasant fellow.

This highly personal foreign policy sometimes works. But nice domestic policies often cause unintended results that are downright mean.

Consider wetlands regulations. During the 1988 campaign, Bush made a nice pledge: "no net loss" of the nation's wetlands base. An avid hunter and fisherman, Bush recognized how nice it was to have plenty of duck ponds and cattail marshes.

But federal regulators considered "wetlands" any property that was under water for seven consecutive days a year. The government banned development on millions of acres—80 percent of them private property. Farmers, truck mechanics, and average homeowners saw the government seize their land without providing any compensation. They complained to Washington because taking away somebody's farm is very mean.

So Dan Quayle and other policy makers sympathetic to property owners tried to redefine wetlands so that they were indeed wet. Then outraged environmentalists took up the cause of swamp critters and cried "meanie." To placate environmentalists, the administration may revert to a wetlands definition that's nearly as expansive as the one that angered property owners in the first place. Whoever screams loudest—and last—seems to win the policy prize.

Similarly, the president zigzagged on civil rights because he couldn't decide which was nicer: redressing past discrimination with affirmative action or relieving current discrimination by ending quotas. He was torn between his sense of noblesse oblige and his gut feeling that everybody ought to play fair.

Likewise, the Americans with Disabilities Act requires lots of nice things—making apartments and offices more accessible to handicapped persons, for example. But suppose you operate an office in a townhouse, and federal law says you must spend $100,000 to add an elevator just in case a client or employee is wheelchair-bound. If you can't afford the elevator, you have to shut down your business. It's nice to have an elevator. But it's very mean when the feds force you to close your doors and put your employees on the street.

Or if you want to build apartments, it costs about $4,000 more per unit to make a building handicapped accessible. These costs force up the rent you charge. Very mean indeed.

Unless the president alters his principles—or abandons them completely—we'll see more niceness in a second Bush term. Because the Clarence Thomas nomination offended so many people, Bush won't appoint other thoughtful conservatives to the Supreme Court; only pleasant moderates need apply. No substantive education reforms, because they require nasty fights with teachers' unions. No tax relief or spending cuts, because either would hurt the feelings of George Mitchell and Dick Darman.

The president should realize he can't be nice to everybody. Leaders have to make tough choices. And when you consider throwing government power around, often the nicest thing to do is nothing at all. ◼

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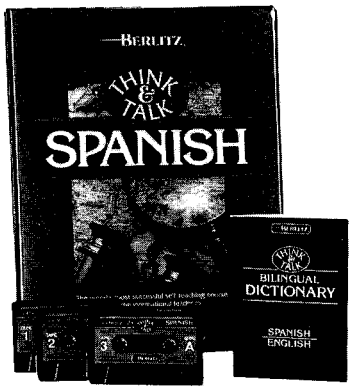

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LETTERS

Secret Agency?

In "Giving 'Til It Hurts" (Oct.), Barry Chamish exposes, with devastating effect, the scam that the UJA has become—a scam especially painful to watch as the peoples of Eastern Europe cast off the socialist tyrannies that destroyed their economies. How long will it be until Israel is forced to follow the Polish model of shock therapy?

Arnon Siegel
Washington, DC

THERE IS NO RESEMBLANCE between the organization described in Barry Chamish's article and the Jewish Agency.

Mr. Chamish asserts that "rarely does anyone take a close look at what happens once [UJA money] gets to Israel." The Jewish Agency budget is open to public audit and controlled by a staff of nonpaid laymen and professionals from throughout the world, as well as by the Jewish Agency comptroller. Jewish Agency policy and practice is to have balanced budgets.

Mr. Chamish's allegations regarding "high personnel costs" are inaccurate. In the current fiscal year, $49 million of the $877 million budget was for salaries—less than 6 percent. Jewish Agency salaries are far from "generous" or even "good."

Mr. Chamish writes that the Jewish Agency employs "more than 700 emissaries sent to cities around the world to convince Jews to immigrate to Israel" who are paid by "American donors to the UJA and other organizations." The World Zionist Organization (not the Jewish Agency) maintains a total of 540 emissaries (*shlichim*) throughout the Western world, but over 90 percent of these are teachers in formal and informal Jewish education. None is paid by American money. Most Jewish Agency immigration emissaries are in the Soviet Union, Ethiopia, and transit stations in Eastern Europe, and the vast majority of the Jewish Agency's immigration budget is invested in Soviet immigrants.

We challenge Mr. Chamish to substantiate his claim regarding an emissary in Glasgow "who dealt with no more than 12 immigrants and was making spare cash on the side through speaking engagements."

We know of no war-hero general kept at an unwanted post with a secretary because of labor laws. There *is* a general who occupies an essential position as head of the WZO Information Department. Surely Mr. Chamish cannot be referring to this individual. Likewise, there is no editor in the Jewish Agency who earns a salary for a journal that has ceased publication. There *is* a full-time editor employed for the Jewish house publication who formerly edited another Jewish Agency publication.

There is no truth to the claim that the Israel government borrows aid money from the UJA in order to cover its debts.

Mr. Chamish asserts that "not one penny [of the $1.2 billion collected by the UJA] will be used to create jobs....A lot of the money will be used to build homes for immigrants. This work will be supervised by Housing Minister Ariel Sharon." No money which the Jewish Agency receives is spent by the government or on government functions. It is a grave misrepresentation to suggest that UJA or Jewish Agency money ends up in government coffers or projects.

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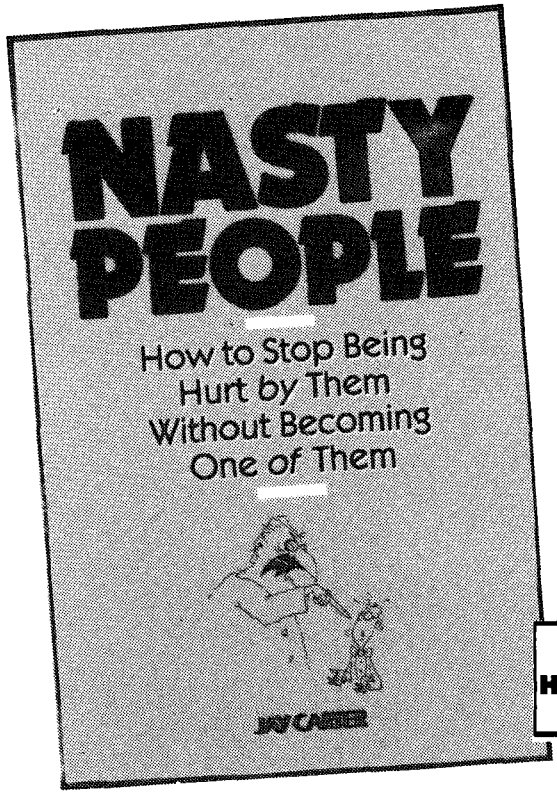

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Moreover, the assertion that money will not create jobs is false. Though the main mission of the Jewish Agency is to bring immigrants to Israel, the Jewish Agency also supports vocational training and programs that help create jobs for new immigrants and disadvantaged Israelis. Training and employment programs have been set up for new immigrants with many of Israel's leading firms.

Mr. Chamish criticizes certain Project Renewal undertakings, such as the construction of a community center in Gan Yavne by the Winnipeg community. Mr. Chamish remarks that Gan Yavne "resembles Scarsdale" and that "it is the least deserving recipient of foreign aid imaginable." When the Gan Yavne project began in 1980, the area was truly deprived. The "community center" at that time was housed in an abandoned Arab building, all of 150 square meters, situated in a slum. If years later, at the time of the dedication ceremony for the new community center, Gan Yavne's houses looked nice because they were spruced up as part of the project and happened to be situated in rural surroundings, then this just attests to the success of the project.

Yehuda Weintraub
Director of Foreign Press Relations
Jewish Agency for Israel
Jerusalem

Jenni Rothfield
Director of Public Information
Jewish Agency for Israel
New York, NY

Mr. Chamish replies: Rothfield and Weintraub claim that the finances of the Jewish Agency are open, and they imply that the organization has nothing to hide. Others disagree. Charles Hoffman, who covered the agency for years as a *Jerusalem Post* reporter, is one of the few outside observers to actually plow through hundreds of pages of Jewish Agency obfuscation. In his 1989 book, *The Smoke Screen*, he writes that he discovered "inefficiency, waste, duplication, mismanagement, political patronage and corruption, fiscal irresponsibility, incompetence, distorted priorities." Gideon Samet, a senior editor at *Haaretz*, describes the agency as "superfluous, wasteful, bloated and cut off from reality."

My article acknowledged that most agency personnel are poorly paid; my complaint is about the cushy jobs of some officials.

Balanced budgets may be the Jewish Agency's policy, but they are not its practice. In 1988, the agency debt was $450 million; in 1991, another $100 million was added to the debt.

My figure for the number of emissaries worldwide came from Hoffman's book, and the number may have changed somewhat since 1989. But it matters little whether they are employed by the WZO or the Jewish Agency, since these are essentially the same organization, funded by donations from Jews throughout the world. Similarly, I do not understand Rothfield and Weintraub's emphasis on the absence of American money. Is it OK to waste non-American money? In 1987, the Katz Report, commissioned by the Jewish Agency, concluded that *shlichim* cost more than they're worth.

My source for the information on the emissary in Glasgow was the emissary himself.

I never said that the ex-general and the editor do not have impressive titles, only that their jobs are unnecessary.

Weintraub and Rothfield claim the Jewish Agency is separate from the government and none of its money helps cover the national debt. In a June 1991 study for the Institute for Advanced Strategic and Political Studies, Yakir Plessner writes: "The public sector comprises the government and the Jewish Agency. Here infusion occurs either because of deficits not financed by borrowing or because of debt retirement not financed by reborrowing. Foreign exchange transactions affect the monetary base because most of them involve eventually the Bank of Israel, which prints high-powered money." UJA money is counted as foreign income, allowing the government to print more currency.

In February 1991, $750 million of UJA funds aimed at Soviet absorption were turned from a grant into collateral for loans at Israeli banks. Since the government owns 90 percent of Israeli banking, the interest on the loans will be used to cover the national debt. One member of the Knesset quoted in *The Jerusalem Post* called this arrangement "borrowing from the UJA."

Rothfield and Weintraub say the Jewish Agency places immigrants with existing companies. But these firms are usually enticed with salary subsidies, and, as Joel Bainerman notes in *The Jerusalem Post*, "once the subsidy ends, so often does the job."

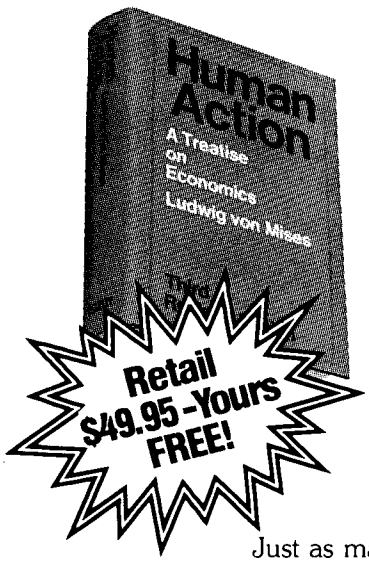
I agree that the Jewish Agency does some good work, and bringing Soviet and Ethiopian immigrants to Israel falls into that category. It's what happens to them when they arrive in Israel that concerns me. In 1991, 400,000 to 600,000 Soviet Jews were expected, but only a third of that number actually immigrated. The other two-thirds canceled their plans after reading letters from relatives and friends already in Israel. They were warned that there is nothing but menial work available and that housing is shoddy and far from centers of employment.

As for the Ethiopians, Ran Kislev recently wrote a series of articles in *Haaretz* criticizing the Jewish Agency for policies that have led to the destruction of the Ethiopian social and spiritual fabric and the creation of black ghettos within a number of Israeli cities. Neither immigrant group needs Jewish Agency patronage or paternalism. They need jobs.

Chemical Dependency

Peter Huber performs a valuable service in revealing the unscrupulous liability claims made by some litigants ("Quack Attack," Oct.). Certainly we do not want persons or corporations blamed for effects which they did not cause.

We do know, however, from chaos theory (the butterfly effect) that small causes can have unexpectedly large consequences. The fact that absolutely any two events are somehow connected must be considered axiomatic. It is only the degree of connection which can be a matter of dispute. Law, which decides guilt or innocence, reflects this reality poorly.



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Articles that poke derision at the suffering of the people who are chemically sensitive also reflect this reality poorly. Did we not protest, mostly on their behalf, the indiscriminate spraying of malathion by the government over the city of Los Angeles? There are causes, there are connections, there are symptoms, and there should be at least some liabilities—or else responsibility has lost its meaning.

The chemically sensitive, though derided as charlatans and neurotics by Mr. Huber, actually do suffer. Are we naively to take the word of the medical establishment, itself in the pocket of the drug companies, to the contrary? What kind of authority is that?

Drug companies and conventional doctors want people to be dependent on overpriced prescription drugs and invasive surgery. They have an institutionally vested interest in keeping people from knowing about cheap but safe and effective remedies like garlic and exercise to lower cholesterol and marijuana to alleviate glaucoma and asthma. They are among the forces on the wrong side of the drug war, which is in many ways a civil war between government-administered drugs and self-administered drugs. And they are certainly not capable of an impartial judgment as to whether they have made the citizenry healthier or sicker. Yet Mr. Huber relies upon their judgment.

What puzzles me is this: What does this cheering for government-entwined big business and establishment medicine have to do with "free minds and free markets"?

Neal Donner
Los Angeles, CA

THOUGH I HAVEN'T READ *Galileo's Revenge*, I've read the excerpts you published and attended a recent talk Peter Huber gave in New York. As an advocate of fully informed juries and a scientist often on the unorthodox side of issues, I'm disappointed by his conclusions. Judge-chosen expert advice is a good idea, but should be in addition to, not instead of, partisan expert testimony—and the latter ought not be screened by law.

Today's official science is far from the neutral fact forum promoted by K. Eric Drexler and Arthur Kantrowitz. Readers of REASON should be well aware of how politics has corrupted science conducted or funded by government, entrenching phony ideas supporting fear of chemicals and addiction. Even in independent science journals, there's a sort of "politics" affecting what gets in print.

Refereed journals also, just like newspapers, have a bias toward publishing "Man Bites Dog," the sensational instead of the mundane. So I can't abide a recommendation of privilege for the "scientifically correct."

We need to uncorrupt both science and society in general. We need substantive tort reforms and procedural reforms. We need to pay attention to critics such as Walter Olson ("No Secrets," Feb. 1991).

But even all these won't prevent some juries from being swung by some loopy scientific testimony as to causation, and I recognize that the cost can be enormous. Still, I'd rather have a quack and an opposing "hired gun" argue it out than have the jury hear only from the Food and Drug Administration.

Robert Goodman
Bronx, NY

Mr. Huber replies: Some people—allergics, for example—really do suffer more than others from chemical exposures. And I agree wholeheartedly that liability, properly placed, is an essential part of free markets. What we need is a process that steers us reliably toward the real causes of real symptoms. It is very doubtful, however, that we can improve on the science of the American Academy of Allergy and Immunology, imperfect though that science surely is, by rounding up groups of 12 stout citizens to vote on whether carpet fumes cause "chemically induced AIDS."

A courtroom is not a market, jurors don't have their own money on the table when they vote, and when they vote against you what arrives next at your doorstep is the sheriff, not a catalog from Land's End. A government willing to levy fines, penalties, liabilities, or anything else on the strength of pseudoscience is a threat to free minds and free markets alike. Even if it calls itself a court.

Codes of Silence?

I was surprised that Nat Hentoff missed the free-market answer to the problem of political correctness ("The New Jacobins," Nov.). If the employees and customers (students) of the offensive universities were to take their skills and purchasing power elsewhere and demand free-speech universities, the market would create such institutions.

Other solutions create other problems. Does the Constitution require the Dallas Theological Seminary to provide on-campus recruiting opportunities to the Church of Satan (or vice versa)?

My right to unrestricted freedom of speech ends at the front door to your home or (if you own one) your university. The confusing problem is who owns a public university. The answer is everyone and therefore, in practice, no one. Those most skilled at manipulating "the system" end up in charge.

The real answer to political correctness requires courage, sacrifice, and a free market.

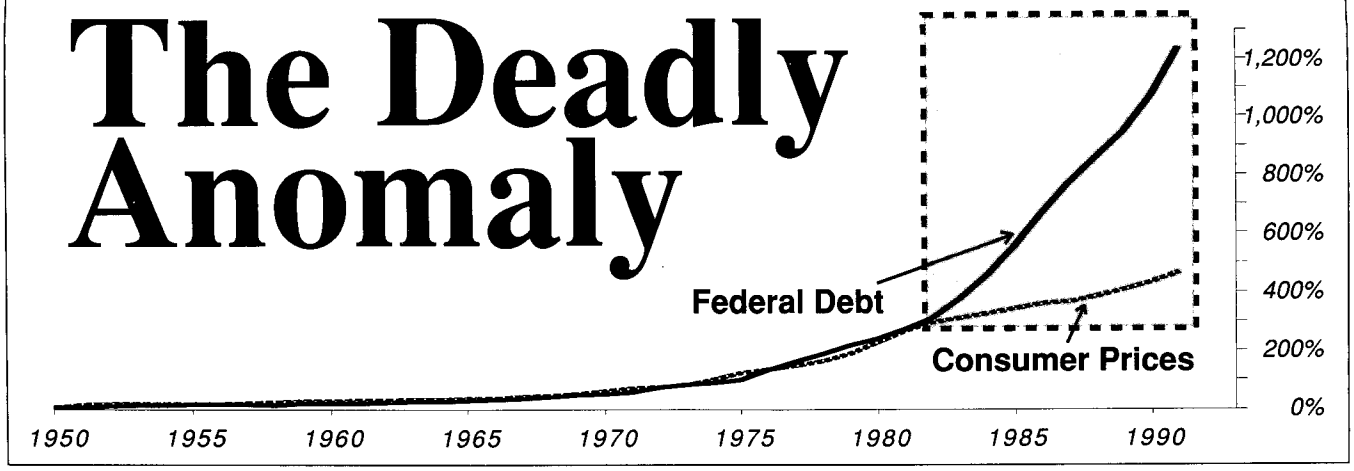
Jim Ober
Baton Rouge, LA

P.C. SUPPORTERS CLAIM that they only intend to ban hate speech. However, their real intent is to cram left-wing ideology down students' throats while outlawing the expression of contrary views by calling it "hate speech." After all, they realize that most of their "ideas" cannot withstand scrutiny, let alone criticism.

Arguing that the *Dartmouth Review* and other targets of the P.C. crowd should be protected even if they are bigoted and advocate racial violence is counterproductive, since it implies that the critics of political correctness are bigoted and advocate racial violence.

Quite the reverse is true. You could easily argue that the P.C. crowd advocates racial hatred and violence when they tell black people that they are entitled to privileged treatment now to

The Deadly Anomaly



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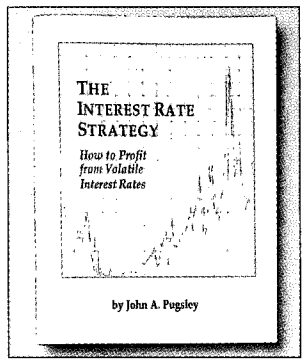
INVESTOR MYOPIA

Investors are oblivious. In their euphoria they see only the bait: these bonds are assets. They fail to recognize the trap: these "assets" are also liabilities. Liabilities *that can never be repaid.*

Supporting his premises with detailed graphs and historical comparisons, Pugsley makes a sobering and incontestable case—a correction must occur, and the evidence is mounting that the correction is already underway. The anxiety over the Treasury bond auctions, fluctuating interest rates, a stalled stock market, a crisis in the banking system...all are only tiny hints of the dramatic upheavals that lie just ahead.



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Some investors have worried that the immense gains of the past few months mean that they have missed the opportunity. Far from it. Those gains have occurred in just one segment of the plan. Two parts of this easy-to-implement strategy are now at ideal entry points, and even the 300% jump in the third part is no more than one-fourth of the anticipated move!

THE AUTHOR

John Pugsley is an internationally respected economist and financial author. His 1974 best-selling book, *Common Sense Economics*, accurately predicted the inflationary explosion that followed the demise of the Bretton-Woods agreement. Many readers made fortunes following his advice.

In 1980, when most economists were convinced that Reagan's tax reform would balance the federal budget by the end of his first term, Pugsley's book, *The Alpha Strategy* (8 weeks on the New York Times best-seller list), boldly warned that the U.S. would experience "the largest deficits in the history of the nation in the next five years," and showed small investors how to protect themselves.

His unique application of economic theory to commodity markets resulted in publication of *The Copper Play*, in which he predicted the price of copper had to double, and his original strategy resulted in dramatic profits for those who followed his system.

For 10 years John wrote and published *Common Sense Viewpoint*, a unique financial newsletter enjoyed by tens of thousands of devoted readers.

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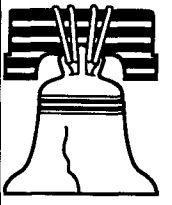

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LETTERS

make up for discrimination against their ancestors.

The best way to deal with this is to apply a "reasonable person" standard. Colleges should be allowed to ban speech that a reasonable person (not some P.C. professor) would consider harassment (racial epithets, threats, etc.), but they absolutely should not inhibit the discussion of important and controversial issues like affirmative action.

Frank E. Espohl
Cincinnati, OH

NAT HENTOFF DESCRIBED the Stanford students who were on the panel at the seminar about safe speech as "bright, articulate, and firmly in favor of punishing speech for the greater good of civility on campus."

Bright? Articulate? Perhaps, but certainly not well-informed or very deep thinkers. I would call them semi-intellectual barbarians.

The world has been plagued for centuries by those who know they are right and will impose their beliefs on others. Unfortunately, they wouldn't know a fact or a principle if they fell over one.

If the do-gooders of this world were truly interested in solving problems, they wouldn't take these myopic, single-minded approaches. They seem far more interested in power or vengeance. Mr. Hentoff was too kind.

Dan Duffer
West Chester, PA

Choice Corrections

Your article in the October 1991 issue on parental choice in education ("Choice Challenges") was comprehensive and insightful. However, my affiliation in defending the Milwaukee and Epsom, New Hampshire, choice programs was misidentified. My work on those cases is for Landmark Legal Foundation, with which I was affiliated from 1988 to 1991 and remain so for these cases.

Clint Bolick
Vice President & Director of Litigation
Institute for Justice
Washington, DC

Do you suffer from

Tired Libertarianism?

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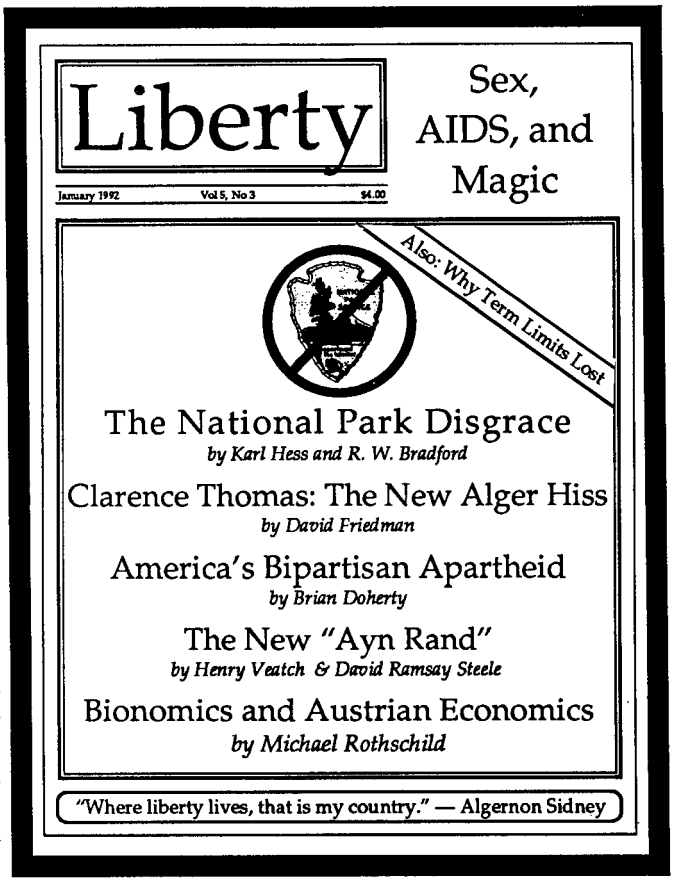
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Long-Term Solution

A year ago James Graham was an undergraduate at the University of Virginia. Now he's serving 13 months in prison, and when he's released later this year, his felony record will prevent him from joining the armed services, owning a gun, getting a fishing license, or registering to vote. His crime? Selling two doses of LSD—about $5.00 worth—to undercover agents.

Graham is just one of thousands of Americans serving time under federal mandatory minimum sentencing requirements. A new organization, Families Against Mandatory Minimums, based in Washington, D.C., is dedicated to fighting such disproportionate punishment.

Founded in March 1991, FAMM publicizes unjust applications of mandatory minimum sentences through newspaper op-eds and TV and radio appearances; it organizes meetings around the country to teach concerned citizens how to effectively lobby their senators and representatives to repeal mandatory minimum sentences.

Federal mandatory minimum sentences, adopted by Congress in 1986 and 1988, were intended for major drug traffickers and violent criminals. They require certain categories of offenders to spend a minimum number of years in jail without possibility of parole; judges are not allowed to consider mitigating circumstances even when faced with minor, first-time offenders.

Mandatory minimum sentences for minor drug crimes are as severe as sentences recommended by federal guidelines for major crimes against people and property: Involuntary manslaughter and possession of 11 pounds of marijuana both carry sentences of 18 to 21 months; robbery with permanent or life-threatening injury and possession of 500 grams (about one pound) of cocaine both carry sentences of 5¼ to 6½ years; conspiracy or solicitation of murder and possession of one-seventh of an ounce of LSD both carry sentences of 6½ to 8 years.

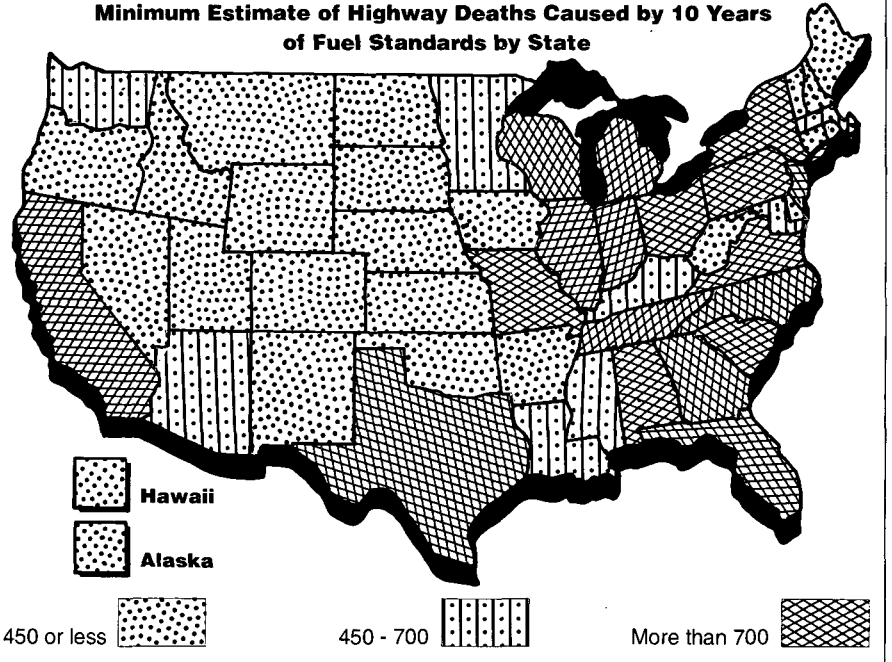
FAMM argues that "mandatory minimum sentences are unjust because first-time, minor offenders who could benefit from rehabilitative sentencing are often imprisoned for longer periods than child molesters, rapists, and murderers." The U.S. Justice Department estimates that we'll need to build four new 500-bed prisons *per week* in 1992 to keep up with the current rate of incarceration. FAMM questions the justice and wisdom of freeing serious criminals to provide room for first-time offenders like James Graham.

—Elizabeth Larson

Fuelish Policy

Sen. Richard Bryan (D-Nev.) has introduced legislation that would force automakers to raise the average fuel efficiency in their fleets from the current 27.5 miles per gallon to 34 mpg by 1996 and 40 mpg by 2001. But the current standards have already increased traffic deaths by forcing carmakers to build smaller, less safe vehicles. Competitive Enterprise Institute President Fred L. Smith estimates that in a 10-year period, fuel standards cause 35,000 to 67,000 additional traffic deaths nationally. Bryan's bill would more than double the number of fuel efficiency-related deaths.

Minimum Estimate of Highway Deaths Caused by 10 Years of Fuel Standards by State



Source: Fred L. Smith, "Auto Fuel Economy Standards: Good for the Environment or a Cause of Highway Deaths?" (National Center for Policy Analysis Media Backgrounder No. 122)

Spending Spree

Critics of the 1990 federal budget agreement predicted the new taxes Congress passed would lead to additional spending and even higher deficits. The naysayers were right: The deficit is approaching $400 billion.

This shouldn't have surprised anyone. For more than a century, the federal government has piled on extra spending each time it has raised taxes. Last fall, a study by Ohio University economists Richard Vedder and Lowell Gallaway and congressional researcher Christopher Frenze found that since World War II, $1.59 of new federal spending has accompanied each extra dollar of tax revenues. Even the Gramm-Rudman-Hollings deficit-reduction law didn't stanch the flow of red ink.

The study, prepared for congressional Republicans on the Joint Economic Committee, showed that higher taxes once reduced deficits: Until 1825, spending fell by 3 cents for each dollar of new taxes. From 1825 to 1860, when taxes went up by one dollar, spending rose by 20 cents; and from 1867 to 1913, spending rose by 72 cents for every new tax dollar. But since 1947, higher deficits have consistently followed tax increases.

Since 1947, however, state spending has increased by only 93 cents for each new dollar in taxes. The authors suggest that state balanced-budget amendments, along with other constitutional limits on state taxes and spending such as California's Proposition 13, tend to keep spending under control when taxes go up.

The authors conclude that the cause of the federal deficit is not inadequate taxation, "but the political gains from spending," particularly spending on programs that redistribute income. "Institutional constraints, such as balanced budget amendments, spending limitation amendments, [and] line-item vetoes," they say, may lower the "political benefits of new spending to political decision-makers."

—Rick Henderson

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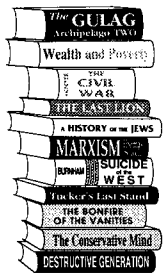

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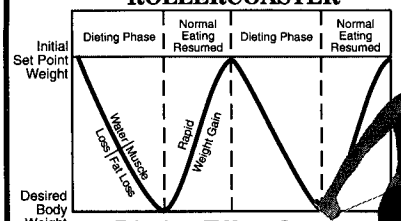


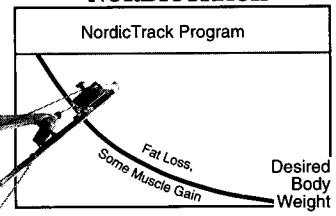
Dieting Effect On Body Weight

You diet. You lose. You falter. You gain it back. Maybe a bit more. Discouraged, you begin the cycle over, destined for rapid initial (and mostly water) weight loss, followed by a plateau...and the dieting blues.

Why diets fail

Your body's system seeks to maintain the weight it considers "normal," what scientists call your *set point*. During dieting, your body fights back by increasing appetite and lowering metabolic rate. You feel uncomfortable and frustrated. You're in a battle you're bound to lose.

GET ON TRACK WITH NORDICTRACK



NordicTrack Effect On Body Weight

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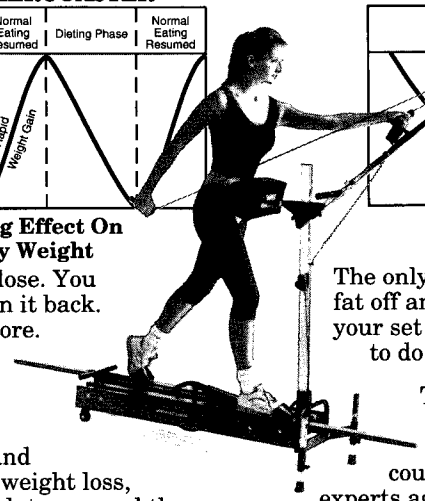

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BALANCE SHEET

Assets

Southern Strategy. Deregulation sweeps Argentina. President Carlos Menem, *The Wall Street Journal* reports, abolishes most state-sanctioned monopolies in retailing, finance, and other businesses. "Anybody can just open a new drugstore in the same block," complains one druggist. "What can I do now?" "Compete," Menem replies.

Road to Vindication. F.A. Hayek gets this country's highest civilian honor, the Presidential Medal of Freedom. His 1944 book *The Road to Serfdom* explained why central planning is doomed. He predicted the collapse of communism decades before it was fashionable. The president could further honor Hayek by sacking several thousand central planners in Washington, D.C.

Decontrol Group. San Francisco voters repeal a tough rent-control law. By a 56-to-44-percent margin, vacancy control (which keeps rent frozen when tenants move) goes down. And Mayor Art Agnos, vacancy control's main champion, faces a tough re-election runoff against rent-control foe Frank Jordan.

Blue Christmas? Hundreds of stores and millions of shoppers defy Britain's Sunday closing laws. Three supermarket chains, including Safeway, and other large retailers illegally open shop on the four Sundays before Christmas. The government refuses to enforce the blue laws; Prime Minister John Major calls them "bizarre" and "unsatisfactory." The Home Office will amend or repeal the closing laws soon.

Liabilities

Uncivil War. The national ACLU touts censorship; a local chapter backs the First Amendment. A female dock worker in Jacksonville sees nude photos and charges colleagues with sexual harassment. ACLU President Nadine Strossen supports the lawsuit—she argues the First Amendment doesn't cover nude photos when shown to "a captive audience." But the always feisty Florida ACLU defends the pinups in court. Executive Director Robyn Blumner tells *USA Today*, "Just because an employee is offended by a message doesn't mean it's illegal."

Road Block. Congress passes the $151-billion highway bill. University of Southern California transportation planner Peter Gordon says it's a boondoggle. In a Reason Foundation study, Gordon says private toll roads and vanpools, not new subways and freeways, will relieve gridlock. He cites Harvard economist John Kain, who estimates 90 percent of rush-hour troubles results from mispricing 5 percent of the nation's highways.

Cave Man. Under pressure from viros, the Bush administration reconsiders its strict new definition of wetlands. (See "The Swamp Thing," April.) The old Bush plan says land has to be wet for 21 straight days before it's deemed a wetland; environmental regulators call the requirement "confusing." One government report labels the new definition "technically unsound and unnecessarily burdensome." Meaning—the greens are angry. And Bush wants to make nice.

Tastes Great? The world's weirdest successful political movement—Poland's Friends of Beer Party—splits. Now that Friends of Beer has won 16 seats in Parliament, the left-leaning small-beer faction wants to purge large-beer supporters for their sympathies with businessmen. Party founder (and large-beer spokesman) Janusz Ravinski tells the *Los Angeles Times*, "You can't have good-quality beer without good breweries.... [So we are] for a modern, market economy."

—Rick Henderson

Uneasy Access

In response to pressure from such groups as ACT-UP, the Food and Drug Administration has grudgingly speeded up approval for some AIDS drugs, including AZT and DDI. But while many activists are content to continue wringing concessions from the FDA, others are advocating a broader and more permanent solution.

Direct Action for Treatment Access, a new organization based in Palo Alto, California, wants to make it easier for all patients with serious illnesses to get drugs that could prolong or save their lives. DATA is backing a bill proposed by Rep. Tom Campbell (R-Calif.) that would order the FDA to streamline its approval process for drugs aimed at treating life-threatening diseases.

Campbell's bill would require the FDA to approve a drug once there is credible evidence that its benefits outweigh its risks. Under current policy, the FDA can spend years proving that a drug is both safe and effective—precisely measuring its therapeutic value—before allowing it to be sold. Meanwhile, victims of AIDS, cancer, Alzheimer's, and other diseases are dying.

"It is patently ridiculous to use the same safety standard for a 5-year-old child with the rest of their life in front of them as [for] a 65-year-old with cancer and 5 months to live," writes DATA President Steven Fowkes. He says a legislative solution is necessary because the FDA's incentives work against rapid approval: "A young child on TV with a drug-induced birth defect is worth more than 1,000 cancer patients or high-blood-pressure patients dying in anonymity."

In addition to supporting the Campbell bill, DATA helps fund treatment research and distributes information on nonapproved drugs such as hypericin and peptide T—information that the FDA will not allow pharmaceutical companies to publish. DATA also runs a referral program to help members obtain treatment products and services.

—Jacob Sullum

The Debate Heats Up

For the first time, researchers have shown a strong correlation between solar activity and fluctuations in the earth's temperature. And the study has convinced some proponents of the greenhouse-warming theory that sunspot activity is at least in part responsible for the rise in global temperatures they believe has occurred over the last century.

Eigil Friis-Christensen and Knud Lassen of the Danish Meteorological Institute compared the records of the earth's temperature for the last 130 years with records of sunspot activity and found that when the intervals between peaks in sunspot abundance began shortening at the end of the last century, the earth began to warm. When the sunspot cycle began lengthening around 1940, the temperature peaked and began falling. And when the solar-cycle length started getting shorter again in the '60s, the planet's temperature began climbing. In fact, there was a 0.95 correlation coefficient between the two curves.

Keith Shine, an atmospheric scientist at the University of Reading, told *Science* that if the figures are correct, "We have to change our view of climate fundamentally. It's an incredible correlation; it would imply that almost nothing else is important in the climate system." Almost all of the 0.5-degree Celsius warming of the last century is accounted for by the sunspot cycle theory.

Critics caution that the temperature records are unreliable, going back only 130 years or so and covering well only land masses of the Northern hemisphere. (These facts did not seem so important when greenhouse skeptics raised them to question whether the supposed global warming had even occurred.)

But even James Hansen of the Goddard Institute for Space Studies, a very vocal proponent of the greenhouse theory, is impressed by the Danish study. He told *The New York Times*, "My gut feeling...is that they're at least partly right."

—Charles Oliver

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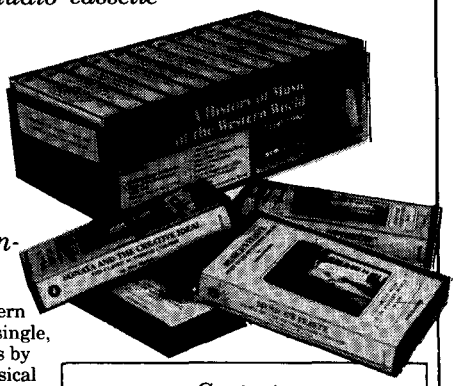

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BRICKBATS

Question of the month: Where do *New York Times* reporters buy their drugs? The *Times* reports that a police crackdown on marijuana sales has driven the price of the drug in New York City to $800 an ounce, more than twice the price of gold. But *High Times* magazine, probably a more reliable source, says that one can buy good-quality pot for $200 to $290 an ounce on the streets of New York.

One week before the Washington state elections, pollsters predicted that a term-limit initiative on the state ballot would pass with 70 percent of the vote. But come election day the proposal lost 54 to 46 percent. Why the turnaround? Pundits sum it up in two words: Jerry Brown. Four days before the election, Linda Ronstadt's former love muffin showed up in Seattle to plug the initiative, calling it "the castor oil" that would revive good government.

Five female employees of Stroh's brewery have sued the company for sexual harassment. They claim that the "Swedish Bikini Team" commercials that Stroh's uses for its Old Milwaukee brand foster a hostile work environment. Next up? Maybe *Playboy* employees will sue over the centerfold.

Meanwhile, Penn State University officials have removed a copy of Goya's *Naked Maja* from the wall of one of the school's classrooms. A female teacher had complained that the painting created an atmosphere of sexual harassment. Any day now, some English major is going to complain that the excerpts from Byron's "Don Juan" in her *Norton Anthology* constitute sexual harassment.

In Ohio, Judge Thomas Nurre has come up with a novel way to punish polluters: He makes them join the Sierra Club. The judge reasons that it is no different from making a drunk driver join an alcohol-treatment program. I guess the next step is making those who run afoul of sodomy laws watch *The 700 Club*.

Supporters called it Turn Off the TV Day. Groups including Morality in Media, the Christian Film and Television Commission, the National Christian Association, and the American Family Association mounted a high-profile campaign to get Americans to protest prime-time sex and immorality by turning off their TVs for one night. But the numbers are in, and Turn Off Day was one of the highest-rated days of the season, up slightly over the same date the previous year. ABC's *Coach* was one of the big winners; the show scored its highest rating ever with a story about a gay football player. Maybe the networks themselves will sponsor future Turn Off the TV Days.

Says Democratic presidential candidate Tom Harkin: "When I'm president, every double-breasted, scab-hiring, union-busting employer...will know that working people have a friend in the White House." And in that vacation home that Harkin owns in the Bahamas.

Promoting the soundtrack to his concert film *Dice Rules*, raunch comedian Andrew "Dice" Clay told an interviewer, "It's like licking the bottom of an ashtray when you listen to this album."

In Japan, Antonio Inoki, who is both a professional wrestler and a national senator, was delivering a political speech at a university in Tokyo when his old nemesis Tiger Jeet Singh challenged him to a match at an upcoming card. Maybe we could import this practice to America. The next time Ernest Hollings starts to drone on and on, Alan Simpson could sneak up on him and bop him with a chair.

And in Mexico, the pro wrestlers' union has asked President Carlos Salinas de Gortari to mediate a dispute between the grapplers and the country's biggest promoter. And George Bush thinks it's difficult to deal with Congress.

—Charles Oliver

How To Start A Global Business Empire – Even From Your Own Home

The Money Essence Concepts of Global Business Reveal How Anyone, From CEO's of Major Corporations To Hourly Wage Earners, Can Explode Into International Business.

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International, global business. Everybody is talking about it. But did you realize that you, the average working person, can and should start a worldwide business? Even from your own home!

My name is Eric Savage. I am an international entrepreneur. I do business in 120 countries. I have travelled all over the globe, resided on five continents, and am involved in lucrative business dealings the world over.

Yet, just ten years ago, I started working in a small family-owned business. Within a year, I had expanded sales into 53 countries. How? I uncovered *The Money Essence Concepts of Global Business*. Those money-essence techniques catapulted my little business into a lucrative, global empire.

Today, the President of the United States, CEO's of Fortune 500 companies, top economists, even management guru's give speeches about how international business is the key to America's competitiveness and future prosperity. That is all true. But, what I discovered is that the enormous opportunity of international business can be captured by the person in the street, even hourly wage earners.

An ordinary wage earner may hear on the news or read in the paper about global business being the key to success in the years ahead. But, he or she probably thinks that the awesome opportunities of global business are open only to a handful of tycoons and large corporations. That simply is not so, as I discovered.

Ricochet Into Money-Making Dynamics On A Global Scale

Ironically, the power of global business can ricochet the *average person* into money-making dynamics on a major scale. My step-by-step book, "How To Start A Global Business Empire — Even From Your Own Home", reveals how an ordinary wage earner, instead of being shut out of the enormous opportunities of global business, can instead reverse those tables to actually catapult off the wealth-opportunity residing in global business.

Wealthy Dynamics

As I mushroomed my little business into a wealth-generating empire, I discovered that all really great opportunities lie within dynamics that ***appear*** complicated. Uncomplicated situations are too competitive. For example, everyone knows how a restaurant works. Precisely because the restaurant business is easy to comprehend, almost anyone can enter it. Thus, the restaurant business is one of the most fiercely competitive businesses there is.

On the other hand, if an individual seeks out wealth-generating dynamics that no one else is doing, like starting an international business from one's home, he or she can make millions of dollars. Personally, I took my little family business and left a major New York company in the dust!

The Money Essence Concepts of Global Business

Let's take a peek at a few of the concepts revealed in *The Money Essence Concepts of Global Business*:

- **How to identify and hone in on the money-making essence of business.**
- **How to catapult that money-making essence worldwide.**
- **How to expose every action as being either a red-to-black, money-making action or a black-to-red, money-losing action.**
- **How to avoid being kept down and stagnated. Instead, leap into the *International Advantage*.**
- **How to recognize when traditional wisdom will lead to failure; The *International Advantage* reverses everything.**
- **How to garner permanent wealth advantages in many countries at once like a casino with many tables.**
- **How to slash traditional business expenses by 20% to 95%. This knowledge alone can guarantee entrepreneurial success or quadruple profits in most existing businesses...a powerful advantage alone worth many times the price of my book.**
- **How to take an already existing business and catapult it into an international success.**
- **How to capture synergistic wealth power with *The Global Factor*.**
- **How to escape recessions, depressions, war, and big-brother government.**
- **How to break out of a set-routine American job that a million other guys can do, a job that is not integrated with any money-making essence.**
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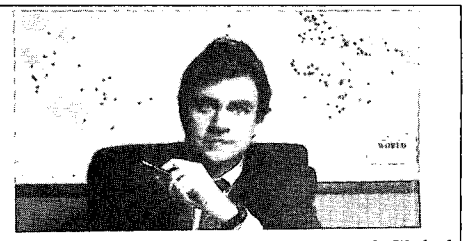

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NATIVE SON

WHY A BLACK SUPREME COURT NOMINEE HAS NO RIGHTS WHITE MEN NEED RESPECT

BY EDITH EFRON

For years, Dr. Alvin Poussaint, associate professor of psychiatry at Harvard Medical School, has been faced with the thankless, if well-rewarded, task of explaining to "enlightened" white script writers—including those for *The Cosby Show*—that their heads are stuffed with offensive racist stereotypes.

"It's a problem," Poussaint said in a speech several years ago at Stanford. "What you get in the scripts is their perception of blackness."

One of the major reasons for the persistent problem is that millions of white adult Americans define "racism" as its most pathological manifestations: wearing white gowns and hoods, burning crosses, tarring and feathering blacks, hunting them down with dogs. Because those same millions of white Americans would not dream of committing such atrocities; because they vote for political representatives who pass civil-rights bills; because they applauded Martin Luther King and Thurgood Marshall; because they respect the changing nomenclature by which certain blacks wish to be addressed, they imagine themselves to be free of racism.

What they have never learned is that racism is an idea, a very old and intransigent idea. That idea exists on an unbroken continuum—all the way from a form that is fully conscious to a form that is unconscious. Its manifestations can range from the most grossly offensive and scornful invective to a compulsive noblesse oblige that cannot permit itself to make any criticisms at all. But whatever the degree or kind of racism, it invariably contains a double standard: The racist simply does not treat black individuals the same way he treats whites.

The effect of stereotypes on blacks is a sense of being unseen, as in Ralph Ellison's *Invisible Man*. The effect on whites is the corollary: They do not perceive blacks as real or make the same fine discriminations among blacks that they habitually make among whites. In the last analysis, they do not perceive black individuals; they perceive black *skins*. And this remains true at every step of the continuum.

It should not, therefore, come as an insuperable shock that the Senate Judiciary Committee hearings on the nomination of Judge Clarence Thomas to the Supreme Court were a racist phenomenon. The "nice" kind; no Simon Legrees or fiery crosses here. But racist nonetheless. Setting aside old segregationist Strom Thurmond, who conscientiously counterfeited a dead man and may, for all I know, actually have been dead, the other senators participated, singly and collectively—and unwittingly—in a process that ceaselessly generated negative stereotypes about Thomas.

So unaware were these men of their own racist stereotyping that when, at the 11th hour, they were forced consciously to deal with a negative stereotype, they didn't recognize it and had no principles with which to assess it or with which to differentiate between the black individuals involved. The press commentators generally revealed the same incapacities. All eventually ended up mired in an unspeakable crudity that would never have occurred had the protagonists been white.

STEREOTYPES

The original hearings generated at least five negative racist stereotypes, all in one way or another springing from acts of omission, defaults of thinking, rather than conscious racism. The senators blinded themselves profoundly to what they were doing, and that self-blinding led to the ultimate explosion, the meaning of which they and the agitated white press do not understand to this day. I present those initial stereotypes roughly in order of ascending gravity:

1. The Nomination. Much has been made of the fact that President Bush lied when he said, in nominating Clarence Thomas to the Supreme Court, that Thomas was the "best" candidate and that Thomas had not been chosen because he is black. Of course that was a lie, and so happy were Bush's critics to have caught him in a lie that they gave no thought to the implications of that particular lie for Thomas, and neither, of course, did Bush.

To omit the serious intellectual reasons for wanting a black nominee, and for wanting this particular black nominee, was to leave a vacuum. And the vacuum was implicitly filled by a negative stereotype. What Bush's lie implied, without his knowing or intending it, was: "I'm naming an empty suit with a black body inside it and with nothing worthy of presidential note in that black body's head." From Day One, thanks to the president, Clarence Thomas was *an empty-headed black in an empty suit*. That's Stereotype 1. Start counting.

2. The Strategy of Evasion. The second, and reinforcing, stereotype emerged as a byproduct—again unintended—of the Republican strategy of evasion, the tactic that had worked with David Souter in contrast with the opinion-laden Robert Bork and with which Thomas had agreed to cooperate. Whatever objections can be raised to that tactic—and there are dozens—the one that was not raised was the effect on Clarence Thomas. Thomas was not, as some historical revisionists are now claiming, an incompetent candidate. His legal writings and his opinions on one of the most prestigious appellate courts of the land had been carefully read by 1,000 members of and consultants to the American Bar Association, including "reading committees" from some of the most distinguished law schools in the country. Thomas's work was found to be well researched and economically and lucidly written; he was adjudged competent to sit on the Supreme Court.

The Republican strategy of evasion had the cumulative effect of destroying most of the evidence of Thomas's competence. As he gradually realized, he could only smuggle in a few of his own ideas and correct a few misinterpretations of his writings. And while Souter had been able to dance theoretical pirouettes around constitutional issues while landing nicely on his feet, having said absolutely nothing, Thomas lacked such balletic skills. He had crammed for months just to learn what he might be required to say—and then he had crammed all over again to learn how not to say it. When the time came to evade, he could perform no theoretical arabesques; he just plain, lumberingly, evaded—monotonously, over and over

again. He wasn't used to it. To his credit, he was an abysmally bad evader.

The result was yet another offensive stereotype. *The empty-headed black in an empty suit* became, in addition, *a dumb, shifty, and evasive black.*

3. Senatorial Etiquette. An ostensibly simpler piece of advice from Thomas's "handlers" pertained to the etiquette deemed obligatory when addressing senators. And again, this boomeranged against Clarence Thomas. For various reasons, our senators engage in incessant mutual flattery and proclamations of collegial devotion. The more they despise each other, the more they do it. When they are at the point of mutually induced nausea, the air around them resonates with "My distinguished colleague from Dubuque," "My good old friend from Peoria, whom I hold in the highest esteem." The participants understand that such fawning formulations are riddled with dark jokes, cynicism, and arrant hypocrisy and are not to be believed for an instant.

But to coach Thomas in such heavily deferential courtesies, when the mutual mockery and cynicism were absent, was to inflict damage on him yet again—above all because he was already intellectually muzzled. Had Thomas been able to perform theoretical legal pirouettes around the senators, had he simply been free to talk eloquently and extensively about the issues of greatest concern to him, then the formulae of excessive and humorless deference might not have mattered so much. But in this case, they mattered dreadfully.

The empty-headed black in an empty suit; the dumb, shifty, evasive black now turned into (in George Will's words) a "cringing and groveling" black—a black tugging his forelock before Massa, a black who knows his place.

SUPPORTERS PRAISED THOMAS FOR HIS "INDEPENDENCE" AND "INTEGRITY." BUT WITHOUT INTELLECTUAL CONTENT, THOSE WORDS MEANT NOTHING.

4. The "Character Issue." A more complex, and a more complexly stupid, enterprise—and this one allegedly dedicated to the *protection* of Thomas—was the attempt to establish the nominee as a paragon of virtue.

The original lies about Thomas's nomination, namely that he was the "best" person for the Court and that he had not been chosen because he is black, bore bizarre fruits. Absent a forthright statement of intellectual and political purposes, the goal became to defend both Bush and Thomas against the liberal interpretation of the nomination. George Bush knew, as did the entire political universe, that his use of the Willie Horton ad and his stated opposition to quotas had generated unceasing charges from liberals that he was a "racist" and that Clarence Thomas would be tagged as yet another black exploited by Bush for political purposes—a Willie Horton in reverse.

So a defensive solution designed to outfox liberals in what Republicans thought were liberal terms was devised. According to *The New Republic*'s Sidney Blumenthal—a forthright critic of both Bush and Thomas—Bush asked whether Sen. John Danforth, a known and loyal friend of Clarence Thomas, would "go to the mat" for his protégé if Thomas were nominated to the Court. Danforth said yes, and that, reports Blumenthal, was Bush's "decisive moment." It meant to Bush that his nominee would be protected "by a figure of moral stature," one widely respected by U.S. senators. Blumenthal elaborates: "Part of the reason it has been difficult to associate Thomas with Bush's racial tactics, and thus isolate him, is that the leading critic of such gambits happens to be Jack Danforth."

It became Danforth's appointed mission to orchestrate a chorus of witnesses, all proclaiming Thomas the embodiment of two particular virtues, chosen, obviously, because they are crucial virtues for a justice of the Supreme Court: "fierce independence" and "integrity." Patiently, endearingly, Danforth marshaled his little legion of personal witnesses from different periods of Thomas's life to attest fervently, all in the same language, that Clarence Thomas, as child, as boy, as youth, as young man, and as grown man, revealed "fierce independence" and "integrity." And for all I know it may have been true. The reason I don't know, and that nobody could know from this extended photo op and mass recitative,

is that "independence" and "integrity"—"fierce" is lovely but unnecessary—are *virtues of mind, virtues of intellect.* Eviscerated of ideas, those words meant exactly nothing. The famous character issue was an attempt to assert character without intellectual content.

These testimonials certainly meant nothing to the Judiciary Committee liberals who were the objects of the anti-intellectual charade; who never for a moment forgot that they were fighting the ideas that Clarence Thomas might or would bring to the Court; who knew full well that Thomas had been chosen because he is black; and who knew, finally, that Thomas had opposed affirmative action's double standards and preferential quotas. And since, to conventional liberals, such views are racist, not a liberal brain cell was budged by this two-week long photo op, which boiled down to a constant loving cry that Thomas was "good."

By the time the parade of devoted witnesses shepherded by Danforth was over, irretrievable damage had once again been done to Clarence Thomas. *Thomas was not only the empty-headed black in an empty suit....He was not only a dumb, shifty, evasive black....He was not only a cringing and groveling black who knew his place.... But he was a good black, a willing pawn in the hands of conservative white masters.*

Did the Republicans do this on purpose? No. This came, yet again, from the belief that *ideas* were dangerous, and that defensive tactics, as opposed to a bold hoisting of one's own flag, were safer. Of course, that is about as safe as a lynching, but I anticipate myself.

5. The Abortion Issue. Customarily, this is simply classified as one manifestation of the evasion strategy. But it had a status of its own. It played a unique role at the hearings, and it produced two particularly damaging stereotypes of Thomas.

Legalized abortion was, for the Democrats, a substitute for the problem they were most frightened to discuss, one of the problems that could destroy their future as a party—the mounting animosity of white workers and middle-class citizens toward double-standard affirmative action, which gives preferential treatment to blacks over whites in hiring and in school admissions. While it was continually discussed at Democratic party councils, and while a major campaign was being planned to regain the votes of the fleeing working- and middle-class whites, this was not an issue the Democrats wanted to discuss at the televised hearings. And they certainly did not want Americans to see a strong and thoughtful black man—a black Republican—advocating equality of access for the disadvantaged and colorblind, meritocratic solutions. So the Democrats evaded the issue.

As Juan Williams wrote in *The Washington Post,* "For all the verbiage, the hearings before the Senate Judiciary Committee on Clarence Thomas were much more interesting for what wasn't said than for what was....Affirmative action is the dog that hardly barked."

To fill the resulting intellectual vacuum, the Democratic senators organized a furor over legalized abortion. It consisted of two things. First, they asked Thomas almost 100 times to explain, in advance, what his legal and political opinions would be in any upcoming abortion case, when he had a right to decline to answer such questions. The only contribution of the Republicans to the out-of-control Democrat batterings was...to count the questions!

Next, the Democrats put on an array of witnesses who foresaw only legions of butchered women if Thomas were confirmed. On that charge, the Republicans strangled. The effect on Thomas, the advocate of fair, colorblind solutions, was appalling.

He was not only the empty-headed black in an empty suit....He was not only a dumb, shifty, evasive black....He was not only a cringing and groveling black who knew his place....He was not only a good black, a willing pawn in the hands of his conservative white masters....

But he had been cast in the role of a black criminal taking the Fifth, 100 times, and a would-be butcher of women.

With this last, as any cop on the beat could have told the senators, Thomas had been smacked on the equivalent of a "Most Wanted" list, with the annotation "black—43 years old—reputed mass murderer—armed—dangerous." Thomas had been set up for a kill.

"ROOTS"

Why didn't the senators grasp the dangerous stereotypes they had generated? Why didn't they recognize what they were doing? Because the stereotyping was camouflaged for them by their enormous hypocrisy, a hypocrisy that took two forms—the first, a counterfeit reverence for Clarence Thomas's achievements and "roots"; the second, a counterfeit concern with his intellectual history and ideas.

Nothing could have been more proudly offered by committee Republicans and more flatteringly received by Democrats than the tale of the black boy from Pin Point, Georgia, and the saga of his studies at Holy Cross, his law degree from Yale, and his eventual rise to prominence. It was a Horatio Alger story that tugged at every American's heartstrings, and even when it didn't, it was supposed to.

The tale that Thomas himself told was accurate, and he told it with justified pride. It was the compulsive and wide-eyed gushing over it by the senators that was counterfeit and tacitly offensive to blacks. Thomas was scarcely the first small-town boy from the South to have achieved an important measure of success in the United States, and it was both patronizing and hypocritical to celebrate him as though he were. But that was just a symptom of a deeper hypocrisy: Few, if anyone at all, on the Senate committee, plus its legions of staff "researchers," actually cared a fig about Thomas's background or "roots."

The roots of an American black are not to be found in the town in which he was born or reared. They are plunged deep in the dark loam of slavery and its ongoing and unfinished business of institutionalized racism. No senator, and apparently no staffer, even considered for a moment investi-

gating Thomas's real roots or his real struggle with American racism.

They should have done so, for the same reasons they should not have evaded one of their major political problems and buried it in legalized abortion. Because they all knew that white racism, both of the deeply entrenched kind and of a reactive, defensive kind, was exploding all about them in workplaces, in schools, and in police departments in response to double-standard affirmative action; because it was an issue that in one form or another might come before the Court; because it was an issue about which the nominee had thought deeply for most of his life—and because it was an issue that was affecting, must be affecting, the real black man sitting before them.

Except...the subject for the Democrats was taboo. And Clarence Thomas wasn't *real* to the Senate Judiciary Committee: He was a black pawn in their evasive political chess game; he was a collection of stereotypes. So no one, apparently, thought of doing some research on what really lay behind all the mutually congratulatory, intensely "caring" backslapping about Clarence Thomas's roots.

Here are just a few things someone might have dug up about those roots by grabbing an old copy of *The Black Bourgeoisie* by E. Franklin Frazier, professor of sociology at Howard University and former president of the American Sociological Association. Here are a few of the events that were still living memories transmitted to those who reared Thomas:

◗ Thomas's great-grandfather was alive in 1857 when the question of whether the Negro was or was not only property and therefore had or had no rights as a human being was raised. This question was addressed in the *Dred Scott* case, which was taken to the Supreme Court where Chief Justice Taney inscribed the famous answer: "A Negro has no rights which a white man need respect."

◗ In 1898, close to the date of birth of Clarence Thomas's grandparents, Rep. A. Dearmond of Missouri described Negroes as "almost too ignorant to eat, scarcely wise enough to breathe, mere existing human machines."

◗ In 1900, perhaps within Thomas's grandfather's memory, the American Book and Bible House published *The Negro, A Beast*, which depicted God as an idealized white man, along with a white man made in his image and a caricature of a Negro intended to show that the Negro was "simply a beast without a soul."

◗ At the same time, says Frazier, the Negro was ceaselessly portrayed as "a gorilla dressed up as a man." The newspapers described him as "burly or apelike." Even the white-skinned products of intensive racial mixing were cartooned as "black with gorilla features." This stereotyping, says Frazier, was "constantly representing the Negro as subhuman, a beast, without any human qualities."

◗ In 1915, an army surgeon informed people that "many animals below man manifest a far greater amount of real affection in their love-making than do Negroes."

◗ In the early 1920s, a doctoral dissertation in Columbia University's Department of Studies in History, Economics, and Public Law presented as "scientific" fact that the Negro was "as destitute of morals as any of the lower animals."

Such facts are integral to an understanding of Thomas's "roots." If anyone on the Judiciary Committee had shown the slightest interest in such matters, he *might* have speculated on the degree to which the worst stereotyped hatreds entangled in those roots were still alive. He *might* have remembered the recent videotaped beating of a black man by out-of-control Los Angeles cops and the investigation that had brought to life the voices on the police radio crackling with jokes about "gorillas in the mist." He *might* have realized that those white cops were not joking about their night school courses in zoology. He *might* have wondered if Clarence Thomas were still subjected to such dangers and to such assumptions of bestiality. He *might* have wondered how Thomas might feel about it. And what Thomas might do if such a thing happened.

THE SENATORS DIDN'T CARE ABOUT THOMAS'S IDEAS. THIS BLINDED THEM TO THE RAGE THAT WAS BUILDING INSIDE HIM.

But these are questions, or speculations, one raises about a *man*—and Thomas was not a man to the Senate Judiciary Committee. Both the men on the committee who were hurled into panic by new ideas and the men on the committee who were hurled into panic by all ideas asked no such questions and gained no such insights. They had lost all contact with the human being they were "judging."

They didn't even know that he was judging *them*. They didn't notice that his eyes, once twinkling, had become dark and impenetrable, that his once spontaneous laugh had vanished, and that he now smiled through tightly clenched teeth, with the muscles in his jaws working tensely beneath the surface of his skin. They didn't even realize that Clarence Thomas was terribly, terribly angry.

They didn't observe that as each day passed, Thomas's body had grown more rigid, that he was being held upright now only by a few powerful ideas, which he repeated like a mantra—by the ideas of "the nuns," the first teachers to instruct him explicitly that he was the metaphysical equal of whites...by the idea of "my grandfather," the first to teach him that whatever legal and constitutional victories had been achieved for his racial group, his personal efforts, his personal achievements, his personal pride, were his own to forge...by the idea of his lifelong "dilemma" over the "fundamental contradiction" in the U.S. Constitution, which he wove, over and over again, into his answers—the "contradiction" that had, historically, refused him membership in the human race.

The ideas that held him upright helped him mask his terrible anger. But even to the power of these ideas to sustain him there were limits—limits to what he could or would tolerate.

Limits? The concept never entered the heads of the senators who recognized no limits on themselves. A black who sets limits? That did not conform to the stereotyped creature they had created. Blinded by "caring" hypocrisy, no one thought to investigate what those limits might be, or to consider that they were precariously close to those limits.

BOOKS

And then there was the second major source of self-blinding, which reinforced the first—the senators' counterfeit interest in Thomas's intellectual history. It kept them from discovering that right under the senatorial noses, there was clear-cut information about the limits to what Clarence Thomas could and would tolerate.

Throughout the hearing the Democrats in particular pretended that they were deeply interested in, indeed determined to discover, the nature of Thomas's ideas. The Republicans were not in the idea business; they had left that up to the Democrats. But the Democrats had compiled all the papers and speeches Thomas had written and the interviews he had given. They knew, they said, the books he had read, the authors who had influenced him. All, they said, they had carefully examined and thought about. But they hadn't.

They had simply been searching for fragments of sentences with which to indict Thomas as politically extreme or politically unreliable or politically unrespectable. Had they been authentically interested in Thomas's ideas, they would have read, and read carefully, one of the first documents brandished by Sen. Joseph Biden on the air, complete with references. It was an interview given by Thomas to REASON four years ago. One passage in that interview should have sounded a red alert to the men who professed to be interested in Thomas's ideas. It went as follows:

"REASON: Are there any writers who were really influential to you when you were young, and still are?

"Thomas: Richard Wright. I would have to put him number one, numero uno. Both *Native Son* and *Black Boy* really woke me up. He captures a lot of the feelings that I had inside that you learn how to repress."

Richard Wright, "number one, numero uno"—until this very day? Richard Wright, one of the most powerful black writers ever to have appeared in America? How could that have been overlooked by men who were trying, as his interrogators claimed to be trying, to understand this particular man? How could they have overlooked the observation that Wright "captures a lot of the feelings that I had inside that you learn how to repress." How could they have missed the switch to the present tense?

But his interrogators missed this. Had they not missed it, it is conceivable, just barely conceivable, that the hearings might have run a different course.

Wanting very much to understand this man who had been stereotyped out of existence and who was controlling a violent anger at what was happening to him, I reread *Native Son*. It had been published in 1940, and I had not read it for 50 years. One finds many things relevant to Thomas and to his roots and his lifelong concerns in this book. But in this particular context, one finds one crucial thing—his limits. The one thing Thomas would not, could not, permit, whatever else might be at stake, the one stereotype that it would be downright dangerous to paste on him, leaps out from those pages.

Native Son is the story of Bigger Thomas, a defiant, terrified, sensitive black tough, a chronic delinquent trapped for life in a white world where he dreams of experiencing connectedness to others but cannot. He gets a job as a chauffeur for a rich white family. Entirely by accident—there is nothing equivocal about this—he suffocates their daughter with a pillow when she is dead drunk. In terror that he will be charged with murdering her, he burns her body in a furnace. It does not occur to him that he will automatically be charged with raping her and that he has burned the evidence that he did not. One lie leads to another, one crime to another, and eventually the young Bigger Thomas becomes the object of a 5,000-man police hunt that combs every inch of the segregated slum in which he is trapped. Eventually he is caught; he is defended by two white communists; their efforts fail; and Bigger is found guilty—guilty, above all, of the two crimes he has not committed, the rape and the murder of the white girl.

Here are four passages from the book:

❦

It was all over. He had to save himself. But it was familiar, this running away. All his life he had been knowing that sooner or later something like this would come to him. And now, here it was. He had always felt outside of this white world, and now it was true. It made things simple. He felt in his shirt, yes, the gun was still there. He might have to use it. He would shoot before he would let them take him; it meant death either way, and he would die shooting every shot he had.

❦

He looked down and read, REPORTERS FIND DALTON GIRL'S BONES IN FURNACE. NEGRO CHAUFFEUR DISAPPEARS. FIVE THOUSAND POLICE SURROUND BLACK BELT. AUTHORITIES HINT SEX CRIME...

He paused and reread the line, AUTHORITIES HINT SEX CRIME. These words excluded him utterly from the world. To hint that he had committed a sex crime was to pronounce a death sentence. It meant a wiping out of his life even before he was captured; it meant death before death came, for the white men who read those words would at once kill him in their hearts.

❦

"Come on, now, boy. We've treated you pretty nice, but we can get tough if we have to, see? It's up to you! Get over there by that bed and show us how you raped and murdered that girl."

"I didn't rape her," Bigger said through stiff lips.

"Aw, come on. What you got to lose now? Show us what you did."

"I don't want to."

"You *have* to!"

"I *don't* have to."

"Well, we'll *make* you!"

"You can't make me do nothing but die!"

And as he said it, he wished that they would shoot him so he could be free of them forever.

❦

He did not turn to the papers until after the man had left the room. Then he spread out the Tribune and saw: NEGRO RAPIST FAINTS AT INQUEST. He understood now; it was the inquest he had been taken to. He had fainted as they had brought him here. He read:

Overwhelmed by the sight of his accusers, Bigger Thomas, Negro sex-slayer, fainted dramatically this morning at the inquest of Mary Dalton, millionaire Chicago heiress.

Emerging from a stupor for the first time since his capture last Monday night, the black killer sat cowed and fearful as hundreds sought to get a glimpse of him.

"He looks exactly like an ape!" exclaimed a terrified young white girl....

THE ALLEGATION OF AN UNPROVABLE SEX CRIME WAS THE ONE CHARGE CLARENCE THOMAS WOULD NOT, COULD NOT, PERMIT.

The moment the killer made his appearance at the inquest, there were shouts of "Lynch 'im! Kill 'im!"

But the brutish Negro seemed indifferent to his fate....He acted like an earlier missing link in the human species. He seemed out of place in a white man's civilization.

❦

One of these paragraphs above all contains Clarence Thomas's limits—the charge, the very intimation of a charge, that he could not, would not be able to permit:

"He paused and reread the line AUTHORITIES HINT SEX CRIME. These words excluded him utterly from the world. To hint he had committed a sex crime was to pronounce a death sentence....It meant death before death came, for the white men who read these words would at once kill him in their hearts."

The men on the Judiciary Committee, and their staffers, had not read this. Or if a few of the oldest ones had ever read the book, they had long since forgotten it. By climaxing the hearings with an 11th-hour charge of a "sex crime," the ingenious staffers were only seeking to disseminate what they conceived

of as "dirt." They did not know that to Clarence Thomas, given his background, his roots, and his intellectual history, such a charge meant: *Death.*

Rarely has there been so poignant an example of life imitating art. But the senators and their "researchers" were not imitating art; there was no one on the Judiciary Committee or its staff with the literary imagination, let alone the vicious literary imagination, to do so. They were simple-hearted souls, party hacks, whose only aspiration was to disgrace a political enemy. They didn't understand this political enemy. They didn't know that Thomas carried Richard Wright engraved upon his heart, that he had carried Richard Wright right into that hearing room.

"THE SEX CRIMES"

When Clarence Thomas learned he was going to be charged with a pack of "sex crimes," lumped together under the heading of "sexual harassment," and that they were to be discussed at a mock trial, he reacted with the swiftness of lightning. He fired his Republican handlers, who had not only dressed him in a dumb clown suit but had not known how to protect him from being portrayed as a criminal taking the Fifth and as a would-be butcher of women. If he had once believed that the men at the peak of the power establishment knew what they were doing, he believed it no more. He took his life out of their hands and back into his own.

Certainly, no one knew better than Thomas what "sexual harassment" had become over the years—a cultural phenomenon beyond his or, apparently, anyone's control. Once an objective description of the use of male employers' power to subjugate and exploit female subordinates, this new and ever-expanding legal offense, first defined in 1986, had turned into pure feminist dementia. Now "sexual harassment" meant anything or everything said or not said, done or not done, to a woman by a male superior, by a male co-worker, by any male in the vicinity, which upset, angered, or offended her—in the woman's judgment. Men's judgments had become legally irrelevant. The subjectivity and dubious First Amendment implications of the New Harassment are well-known. Thomas was charged by Anita Hill with crimes of "verbal conduct"—"speech crimes," which, of course, implies thought crimes.

Thomas's legal analysis of his alleged speech crimes was that of a trained Yale lawyer, a judge of a Court of Appeals, and the former head of the EEOC. But his decisions about what to do and say were pure Richard Wright. The two roles were different, but both were functions of the "evidence."

The charges against him, Thomas saw quickly, were legal junk. One aspect of that junk was dangerous legal junk—a set of charges that he had boasted of his "sexual prowess," of the "larger than normal" size of his own penis, accompanied by a drumbeat of other references to the mythic dimensions of black men's genitals.

"Legal junk," of course, means evidentiary junk, and that means something in addition to the fact that the charges were unprovable and there were no witnesses to attest to them. It means that, save for the *dangerous* allegations, the speech crimes as presented at the hearings had little or no significance to begin with. Anita Hill simply made a group of empty generalizations or recited a list of subjects that one can find in library card catalogs, in dictionaries, in encyclopedias, in articles, in monographs, and in books. How, in what words, in what style, Thomas had discussed those subjects, at all, were the crucial missing factors. Most of Hill's charges were an invitation to mass projection.

There was also corroborative junk. Three witnesses—all lawyers—testified that Hill had told them 10 years ago that she was depressed and was blaming her depression on unspecified verbal behavior, by implication of a sexual nature, by her boss. Hill did not even offer her subject list or her generalizations to those lawyers. She gave them no information at all. The lawyers were preternaturally incurious, asked no questions, requested no evidence, and, according to their testimony, all said the equivalent of, "Poor dear." A fourth lawyer testified that some years later Hill had told him that she left the EEOC because she had been "sexually harassed" by her boss. But still this famous list of speech crimes did not surface.

All that was established by her friends' testimony was that 10 years ago Anita Hill had been depressed and had attributed her depression to Thomas. This total absence of legal evidence was no doubt the reason that Hill's lawyers gave her a polygraph test, which is further evidentiary junk not accepted by our courts. It was an act of legal desperation to help a client who had been blowing evidentiary smoke.

Finally, there may have been outright psychological junk. Hill's strangely passive legal witnesses were aware of her depression but did not check her competence. One witness tried to establish Hill's competence by saying, "I have never known Anita to express anger," a bizarre comment, since repressed anger is a common characteristic of depression. Another witness sought to strengthen the claim that Hill is stable by testifying that to Hill fictional characters are not "real." Apart from the implication that people who read novels suffer from instability, the fact is that fictional characters are more intensely real than everyday people—that is the purpose of art. Hill's inability to accept fictional beings as "real" and her inability to express anger may have reflected an emotional disorder—one that could prevent her from correctly interpreting the style, mood, and intent of any discourse dependent on affect. To say any consideration of Hill's psychological or emotional states is "blaming the victim" is to beg the question.

In summary, evidentiary junk, corroborative junk, and possibly psychological junk, had all been dragged out at the last minute to destroy a Supreme Court nominee.

DANGER

But all this junk Thomas denied, then swept aside. What he took seriously was the dangerous junk interwoven throughout. He immediately saw that he had been hit

by the oldest and most murderous racist stereotype directed at the black male: the black male as sexual beast; the subhuman, predatory ape without sensibilities and without morals; the stereotype amply documented by Franklin Frazier in the 1950s (his 10th edition still being read in 1968) and exemplified by the crackling radio jokes about "gorillas in the mist" from the white Los Angeles cops in 1991. That stereotype was hundreds of years old, it was still alive, and Thomas accurately understood that it had been aimed at him.

He also knew its origins, its vicious hypocrisy, and its social uses. For all the constitutional talk forbidding blacks human status, our Founding Fathers—like the French, Spanish, and Portuguese aristocrats who imported black slaves into the New World—were fully aware that blacks were human beings. Such men happily slept with black women, fell in love with them, protected the children they fathered by them, freed those children, adopted them. They safeguarded their own black sons, often by sending them abroad for higher education. But they reserved a different and frightful fate for the unprotected black boy—not for the girl, only for the boy. As soon as he reached puberty, as soon as he was sexually mature, he turned, magically and abruptly, into the Mythic Black Beast who became sexually taboo for white women. Thus did the white men control their paternity and property lines. Any alleged breach of the sexual taboo could, and often did, mean death—for the black male.

That is what the dangerous legal junk meant to Thomas. He knew that, regardless of the lack of legal evidence, the humanity of his female accuser would be assumed, as indeed it was. He knew he would have to establish his own humanity, and to do so at a mock trial.

80 PERCENT OF THE NATION FOUND ITSELF WATCHING A BLACK NOMINEE TO THE SUPREME COURT DISCUSSING BLACK MEN'S GENITALS.

The Thomas who reentered the hearing room was the "real" Clarence Thomas, the man without Republican handlers, with only two people at his side: his old and trusted friend Danforth, who was shaking with volcanic rage, and Virginia Lamp Thomas, his white wife, who sat motionless, tears rolling down her cheeks. From the depths of his Richard Wright–infused subconscious, Thomas made statements and leveled his own charges, charges that totally disoriented the Senate Judiciary Committee. The senators, like children who had played too long with matches, suddenly grasped that they had set the whole house afire and had no idea what to do about it.

Thomas said, "I died. The person you knew—whether you voted for me or against me—died." He said, "I've been harmed, my family has been harmed. I've been harmed worse than I've ever been harmed in my life. I wasn't harmed by the Klan. I wasn't harmed by the Knights of Camelia. I wasn't harmed by the Aryan Race. I wasn't harmed by any racist group. I was harmed by this process—this process, which accommodated these attacks on me....I would have preferred an assassin's bullet." He described what had occurred as a "high-tech lynching" and informed the Judiciary Committee grimly: "I will not provide the rope for my own lynching."

Even when he talked quietly and calmly, he was clearly in a state of uncontrollable mutiny. When asked whether he wanted to withdraw his name from nomination, he replied, "I'd rather die than withdraw. If they're gonna kill me, they're gonna kill me....I'd rather die than withdraw from the process—not for the purpose of serving on the Supreme Court but for the purpose of not withdrawing from this process." Somewhere inside Clarence Thomas was the unmistakable voice of Bigger Thomas, refusing in extremis to submit to the white man's power: "You can't make me do nothing but die!" And whatever these white senators understood, they knew that to be true. Their power had become entirely destructive; they could make him do nothing but die.

It was mainly from Sen. Orrin Hatch, who by means sensible and not had consistently conveyed his sympathy for Thomas, that Thomas consented to hear Anita Hill's charges. He had refused to attend or to listen to the session at which she herself had testified. In this exchange, Hatch became the only man on the committee to admit, honestly, that he did not understand the

phenomenon of the stereotyped racist attack:

Hatch: "You said some of this is stereotyped language. What does that mean?"

Thomas: "Senator, language throughout the history of this country, and certainly throughout my life, language about the sexual prowess of black men, language about the sex organs of black men, and the sizes, etc., that kind of language has been used about black men as long as I've been on the face of the earth, and these are the kind of charges it is impossible to wash off...

"If you want to track through this country in the 19th and 20th century, the lynching of black men, you will see that there is invariably—or in many instances—a relationship with sex, and an accusation that that person cannot shake off. That's the point I am trying to make, and that is the point that I was making last night, that this is a high-tech lynching. I cannot shake off these accusations because they play to the worst stereotypes we have about black men in this country."

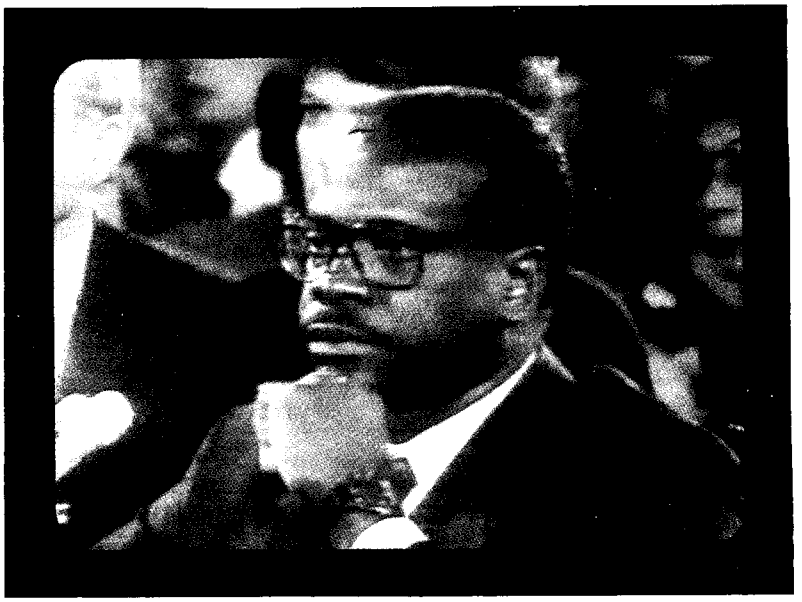
Many other things happened, but there is no need to recapitulate. The real end of the hearings, where racism is concerned, occurred in this exchange. The hearings, which had woven a web of progressively destructive racist stereotypes around Thomas, had culminated in the worst conceivable stereotype of all—the black male as mythic sexual beast. And most of the nation—80 percent of it—found itself watching a black nominee to the Supreme Court discussing, before a Senate committee of white men, the subject of black men's genitals.

The vast majority of watching Americans, white and black, "believed" Clarence Thomas; the vast majority, white and black, "disbelieved" Anita Hill. Even many people who believed Hill's story, or parts of it, were deeply shocked by the episode.

Some whites are baffled by the question, Why would a black woman seek to destroy a black man by means of a deadly racist stereotype? How can it possibly be "racist" if it comes out of a black woman's mouth? That, too, is racism. It rests on the assumption that blacks are an undifferentiated mob with a "leadership" in the place of a brain. A black does not crack up in incomprehension at the idea of a black seeking to hurt another black.

I address this question only because it is so commonly asked, not because it is important or because one needs the answer to know whom to "believe" or "disbelieve." Indeed, too much attention has been focused on whom we should "believe" or "disbelieve." Most significant is the fact that we were asked to function as "believers" or "disbelievers" at all.

Examine the role that we, as witnesses to the execrable spectacle, were all asked to play. We ourselves were asked to serve as jurors at a mock trial. We ourselves were asked to believe or disbelieve in matters pertaining to "the sexual prowess of black men, the sex organs of black men, the sizes...." We ourselves were asked to relive Richard Wright's *Native Son*. We ourselves were asked to play the role of the "terrified young white girl" at the inquest, gawking at the Beast.



"IF THEY'RE GONNA KILL ME, THEY'RE GONNA KILL ME," THOMAS SAID. IT WAS PURE RICHARD WRIGHT.

That is sufficient reason to reject those who organized and orchestrated this spectacle.

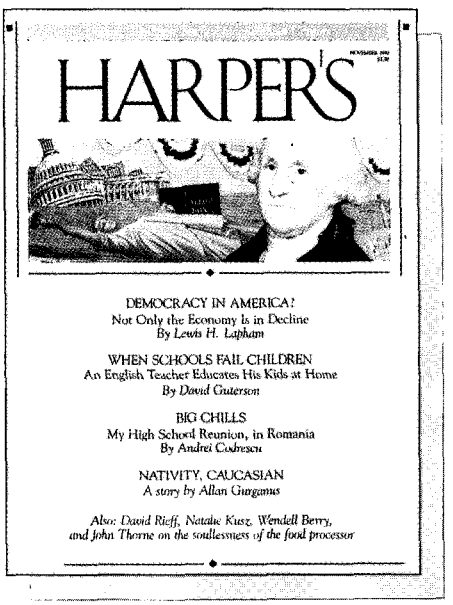
It is not sufficient reason to reject Clarence Thomas. There may be, as he himself has said, constitutional reasons for opposing him, or reasons pertaining to his qualifications, or reasons pertaining to the desire for a more politically balanced Court. But I myself am willing to take a chance on Thomas, and I am heartily glad he is now wearing his justice's robes.

I hope that as the advocate of a colorblind society arranges his new offices, he puts two huge pictures on his walls—one of Chief Justice Taney and one of Richard Wright. For it is because of them that he endured so much and fought so hard and because of them, ultimately, that he is on that Court.

And it would be salutary for all of us to realize that every single day that this particular justice sits on that Court will be a silent requiem for Bigger Thomas, the fictional slum boy of 50 years ago who is engraved on Clarence Thomas's heart and whose real-life descendants, trapped in America's slums, are still hit at puberty by the potent remnants of the dehumanizing myth. This country can only benefit from the presence on the U.S. Supreme Court of a man who authentically understands that deadly myth and has the ego strength to talk about it and to fight it.

Edith Efron, most recently author of The Apocalyptics: Politics, Science, and the Big Cancer Lie, *has written extensively about Haitian culture and American racist stereotypes.*

It's not homework.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LIFE
AFTER
LEGALIZA

SCENES FROM A POST WAR AMERICA

By Richard J. Dennis

What will life be like after drugs are legalized? No one knows for sure. Drug warriors are quick to exploit people's fears of the unknown, spreading visions of doom. Many reasonable people also seem to have dire expectations. But, in truth, we have more to fear from what we know about prohibition than from what we don't know about legalization.

In the vignettes that follow, I have envisioned a post-legalization America where the policy questions associated with distribution have been answered somewhat differently from state to state. By and large, the states in which these tales take place have settled on a legal model similar to the one applied to alcohol. The focus of these stories, however, is not on the precise content of a legalization policy but on how an America with legalized drugs would look and feel.

While a product of my imagination, these accounts are based on current facts, figures, and analysis. I have tried to be conservative in describing the benefits of legalization and realistic in acknowledging both its costs and the problems it would not solve. Accordingly, I have projected some things that aren't necessarily desirable but are nonetheless likely to be part of any compromise to legalize drugs.

The College Student

The phone call comes one Monday morning as Betty Simpson is having coffee with her neighbor. Her 21-year-old son, Brian, a junior at State University, has been caught using cocaine in his dormitory. A few years ago, the call would have come from the police or a prosecutor's office instead of a university official. But since the state has legalized drug use and sales, Brian's transgression is no longer a criminal matter.

Betty and her husband, Bob, had mixed emotions about drug legalization. They had both used marijuana while in college but had no interest in experimenting with harder drugs. The Simpsons were incensed, however, by increasingly harsh drug laws that resulted in thousands of college kids serving time in prison. After a neighbor's son received a 10-year sentence for possessing two ounces of cocaine, Betty joined a group called Families Against Mandatory

Minimums. FAMM and similar lobbying groups were the driving force behind legalization.

For the Simpsons, as for most other middle-class Americans, life after legalization doesn't look much different from life before it. "About the only difference is that I'm no longer afraid of my mother being bopped on the head for drug money or that my children will be sent to prison for a youthful indiscretion," Betty recently told a television reporter interviewing parents who were active in the anti–drug-war movement.

Shortly after legalization, Betty and Bob attended a party at which marijuana was circulated. They tried it and found it stronger than the pot they had smoked 20 years earlier. They decided that their college days were irretrievably behind them, along with the attraction of marijuana. Anyway, using pot at home was out of the question. They didn't want to set an example for Brian, whom Betty suspected of using pot in high school. They knew that State University maintained strict rules against drug use or sales by any person on its campus and warned Brian of the consequences before his first semester.

So when the call comes from the university, Betty Simpson is disappointed in her son—but greatly relieved at the same time. The university administrator informs her that Brian will be suspended for the current semester and placed on probation for the rest of his academic career. Only a few years ago, a student in Brian's position would have faced the prospect of a prison sentence.

Contrary to fears, the state's adoption of drug legalization—allowed under a federal law—was followed by a crackdown on the public consumption of all drugs, including tobacco and alcohol. State law now imposes a fine for a first offense and jail time for repeat offenders. Paralleling these laws, the university has banned drug consumption, including the smoking of tobacco, on its property. Many students have complained about the tougher regulations, remembering the alcohol-fueled parties that were a staple of campus life. Of course, students who live off campus may use alcohol, tobacco, and formerly illicit drugs, provided they do so out of public view.

Legalization has brought other noticeable changes to the campus. A drug-education course has replaced a year of physical education as a requirement for graduation. And millions of dollars in federal funds have been channeled to the university for research into recreational drugs, including alternatives without harmful side effects. Such a program was unthinkable during prohibition, when few drug researchers could obtain funding or university approval. In fact, State University recently received worldwide attention when one of its professors announced that she was within two years of developing a nonaddictive substitute for heroin.

Legalization also has spurred a couple of campus controversies. A major tobacco company, now marketing marijuana, attempted to sponsor a professional tennis tournament at the campus athletic facility. But opposition from the governor and university president forced the "Reefer Thins" tournament into a nearby private club. Television stations have refused to air the tournament for fear of violating anti-advertising laws. And former drug czar William Bennett was admonished by the university for smoking tobacco in public. Bennett lit up while speaking on campus about his new national crusade against "antifamily" programming on cable television.

The Welfare Mother

On their way home from school, Benjy Jordan and his friend Bobby play a game of tag. The fourth-graders frolic on the barren, grassless square in the center of their public housing complex. A few years ago, their game might have been interrupted by the gunfire of drug-dealing gangs engaged in deadly turf battles. But legalization has removed the source of those disputes and the profits that financed the high-powered arsenals.

The end of the drug war brought a marked change in Benjy, who avoided other children during the years before legalization. After a classmate was killed by a gang member's stray bullet, Benjy adopted a hermit's existence and avoided any contact with outsiders. "They just try to get you in one gang or another," Benjy explained to his worried mother. Now that gang violence has dissipated in the projects, Benjy has emerged from his shell and plays with his classmates again.

Legalization has provided Benjy and his family with another reason to celebrate. His older brother, Duane, recently returned home from prison, where he was serving a 10-year sentence for cocaine dealing. As part of the state's legalization law, those imprisoned for drug use were immediately freed, and those convicted of drug dealing had their sentences cut in half.

Duane sold drugs from the age of 12, becoming the primary breadwinner for his extended family. With her husband gone and four children to feed and clothe, Bernice Jordan accepted the money that he regularly brought home. "Duane knew I didn't approve of where it came from," she says. "But I either took the money or watched my family go cold and hungry."

The release of Duane and other drug offenders has solved a 20-year overcrowding crisis at the state prison. It brought the end to a federal consent decree that necessitated a periodic, mass release of inmates. Now plenty of cells are available for those accused of violent crimes. Consequently, inner-city neighborhoods have been freed from the most feared and brutal criminals. The county sheriff, who strongly opposed legalization on the grounds that it sent the wrong signal, now admits that protecting the public has become easier.

Despite the end of his imprisonment, Duane's prospects are bleak. While the demise of the drug wars has returned relative peace to the neighborhood, it has also removed a primary source of employment. Unemployment in the projects, already high, has increased another 20 percent. The situation is aggravated by returning ex-offenders like Duane, who have little hope for meaningful employment. And with the cessation of drug-related mayhem, police and public attention, once riveted on the troubled inner cities, has moved elsewhere.

"I'm grateful that I no longer have to fear for my children's lives each day, but I still fear for their futures," says Bernice

Jordan. "Ever since they legalized drugs, it seems like nobody pays us attention. The drugs and guns are pretty much gone, and we can finally live in peace. I don't have to fear going shopping or letting the children play outside. But the schools are still bad, there are no jobs, and there's more young people than ever hanging around with nothing to do. I hate to say it, but without the shootings and arrests going on, it's become easier for everyone to ignore us."

The Judge

Legalization saved Judge Anthony Dawson's career by ending a battle with his conscience. The drug war's mandatory minimum sentences had pushed Dawson to the brink of resignation. He found it repugnant to sentence promising college students to years in prison for possession with intent to distribute. The assassination of his friend, legalization advocate Judge David Salzburg, by the Cali cartel had enraged him. He knew legalizers were the cartels' worst enemies, and he wanted to disempower the thugs who murdered his colleague. But as an elected judge, Dawson was reluctant to speak out, fearing the response of voters easily inflamed against "soft-on-crime" judges. So he kept silent while meting out robotic justice based on statute rather than judgment.

As an African-American, Dawson was also deeply troubled by the disproportionate impact of the drug war on blacks and Hispanics. It pained him that 85 percent of the defendants appearing in his courtroom were minorities, many of whom didn't speak English. Most received only perfunctory representation from the hopelessly overburdened public defender's office. As a result, there was enormous pressure to plea-bargain drug cases—including those in which defendants maintained their innocence.

To alleviate overcrowding at the county jail, Dawson issued orders that were routinely ignored for years. And when, in desperation, he assessed daily fines against the county, he was criticized for dunning taxpayers on behalf of criminals. The public didn't seem to care that people were forced to live like animals, in flagrant violation of constitutional protections. Dawson felt that he was presiding over the degradation of the legal system that had inspired him, a child of the ghetto, to dream of being a lawyer.

As an attorney, Dawson was known for his expertise in civil procedure and, as a judge, he preferred ruling on civil cases. But years went by without a single civil case coming before him; criminal cases, mostly involving drugs, had crowded them off the docket.

Most of all, Dawson hated the drug war's toll on his family life. He was tired of presiding over the special drug court held at night to deal with the burgeoning backlog of petty drug cases. He resented that this duty forced him to miss many family dinners and the chance to converse with his daughter, who was in law school.

And although he never told his family, Dawson genuinely feared for his life. More than once, he was threatened by gang members he had sentenced. He dutifully reported the threats and was assigned extra protection. But whole arsenals had been introduced as evidence in his courtroom. He knew that a sheriff's sidearm was no match for a drug-dealer's Uzi.

Legalization has brought a sea change to Dawson's courtroom. The stream of drug cases is now a trickle, and civil cases have returned to his docket. The judge's deliberation and discretion have replaced the dispensing of automatic justice. Defendants in his courtroom more closely reflect the general population. The judge is once again able to speak out on pressing legal issues. He no longer fears for his life when leaving for the courthouse every morning. And he and his daughter regularly discuss legal theory over the dinner table.

The Gang Leader

For LaBradford "Brick" House, one of America's most notorious drug lords, legalization has been a nightmare. Once able to mobilize thousands of street-gang members equipped with high-powered weapons, House's criminal empire is in disarray. He has been reduced to fighting two-bit mobsters for a piece of the drastically reduced action.

House saw it coming. He knew that drug prohibition was his best friend. It had turned his Los Riders from a band of juvenile delinquents into a wealthy criminal enterprise. House tried to prevent drug prohibition's repeal by forming the Young Grass Roots Independent Voters, a political organization providing campaign manpower and plenty of "street money." House planned to run his own candidate for Congress. But before he could, legalization was adopted—largely in response to violent, drug-dealing street gangs like his.

HE WANTED TO DISEMPOWER THE THUGS WHO HAD MURDERED HIS COLLEAGUE.

House considered unleashing a reign of terror against the legal drug stores and their patrons. But he quickly realized that there were too many legitimate outlets for that strategy to succeed. Like the gangsters after Prohibition, Los Riders couldn't compete in a legal market.

With an immediate 90-percent drop in illicit drug revenues, House's drug-dealing army was hit with mass desertions. Only a small fraction of his lieutenants had managed to build up any wealth. Most of them were happy to "go legit." But the majority of House's dealers lived hand-to-mouth. Legalization eliminated their only source of income. Now these once-formidable gang members are panhandling on the streets.

And the supply of replacements is no longer inexhaustible. Previously, a dozen eager initiates were available to replace each dealer

killed or imprisoned. Now, with vast sums of money removed from the business, drug dealing is a tawdry little enterprise. A few dealers attempt to survive by buying legal drugs and selling them to children. But the cessation of the wider drug war has enabled law enforcement to concentrate its efforts. Sentences for sales to children have doubled. And those convicted of possession and minor dealing have been largely released from prison, leaving plenty of empty cells for dealers to children to serve out lengthy sentences.

House realizes that his empire's only chance for survival is obtaining control of those activities that remain illegal, such as prostitution, extortion, and running numbers. While far less lucrative than the drug trade was, these fringe activities are now the only game in town. Los Riders have begun a bloody war with the local mob for control of a diminished black market. "Brick" House remains a criminal, but his glory days are over.

The Police Officer

Sergeant Pat O'Hare initially opposed drug legalization, which has brought great changes to his job as a police officer. The son of a cop, he was an enthusiastic soldier in the war on drugs until his father became one of its innocent victims. Bill O'Hare, a 20-year veteran of the force, was killed by a shotgun blast during his seventh raid on the same crack house. Afterward, the younger O'Hare began to question his late father's sacrifice in a vain effort to protect people from themselves. So although he opposed legalization, O'Hare was secretly relieved when he was no longer required to make street drug busts. Even more relieved were O'Hare's wife and two children, who had feared for his life with every assignment.

Since legalization, O'Hare has been working undercover as an administrator in a local high school. This reassignment is part of a massive shift in police manpower to fight the sale of newly legal drugs to children. O'Hare's recent arrest of two gang members dealing drugs inside the school filled him with pride and satisfaction. For the first time in years, he felt he was fulfilling his real mission. It sure beat the days and nights he had spent busting pathetic cokeheads in grungy bars and restrooms.

O'Hare was always a clean cop, as was his father before him, but he abided by the force's code of silence, and it bothered him to realize that his former partner was on the take. How else to explain the remodeled basement and the recent family trip to Disney World? O'Hare certainly couldn't afford those luxuries on his modest police salary. Since legalization, corruption on the force has decreased markedly. That makes O'Hare feel better whenever he passes the glass case at police headquarters containing the shields of officers killed in the line of duty, including his father.

Thousands of officers like O'Hare have discovered that legalization makes their jobs safer and more rewarding. Consequently, police unions, which generally opposed legalization, have become vigorous opponents of recriminalization. The nation's law-enforcement community witnessed firsthand the drug war's toll on America's police and public. And it has witnessed how legalization has cleared the nation's jails of millions of nonviolent drug offenders, providing ample room for thieves and violent criminals who used to be back on the streets shortly after arrest. Officers like O'Hare want no part of unwinnable wars.

The Addict

As he walks slowly from the funeral service for his 40-year-old son, Jack Cooper is convinced that drug legalization is to blame. His son, George, never would have had access to cocaine if a drug store hadn't opened near his suburban home. Technically, cocaine hadn't killed George. The medical examiner ruled that he died from loss of blood after falling and hitting his head on a glass table. But there was no doubt that the copious amount of cocaine in his system had contributed to the accident.

George's parents are enraged at the government for making this tragedy possible. The Coopers have read that drug legalization led to a 25-percent increase in use and created thousands of new addicts. Drug-related deaths have actually declined, due to a 90 percent drop in drug-related crime and fewer deaths from adulterated drugs and unintentional overdoses. Still, the increase in use was accompanied by an increase in deaths due to drug-related accidents and chronic health effects.

After the funeral, George's widow, Diane, presents them with a cassette she found among her husband's belongings. That night, Jack and Lilly Cooper listen tearfully as their frantic and distraught son confesses to his cocaine addiction:

"I know I'm committing suicide on the installment plan. Legalization has made the temptation too easy for me. I want to be a better husband and father, but I'm drawn to this stuff like a moth to a flame. I hate myself for my weakness, and I don't blame anyone else. I know I'm fully responsible for my actions and their consequences. It's not the government's fault for making drugs legal, or the drug store's fault for selling them to me. It's my fault for not being able to resist, despite the toll it's taking on my friends and family. I guess I didn't learn a thing from the stories about Grandpa."

Listening to the tape, Jack Cooper is mentally transported to his own father's funeral. James Cooper died in his 40s from cirrhosis of the liver. Jack remembered his own pain at the death of his father and his subsequent, lifelong hatred of strong drink. But he was old enough to recall the disaster of Prohibition, with its gangsterism and all the deaths from bootleg liquor.

Despite his grief, Jack Cooper has to admit that legalization has brought benefits: fewer drug-related crimes, more resources for the treatment of addicts, and more money for drug-education programs—like the one helping his grandson avoid George's fate. So when a Bennett for President staffer calls to ask the Coopers to appear in a campaign commercial condemning legalization, Jack Cooper declines: "My son's death is a matter for our family to deal with. There's really nothing the government can do about it."

The Priest

No one was a more intrepid drug warrior than Father John Flagg, pastor of an inner-city church. He picketed local stores that sold drug paraphernalia. He defaced inner-city billboards advertising cigarettes and liquor. He even journeyed out of state to confront tobacco industry executives. Flagg was on a holy mission to save the lives and morals of his parishioners. When drugs were legalized, he was so angry that he took a three-year sabbatical in Eastern Europe. He recently returned to his parish, intending to resume his antidrug crusade. But what a difference a few years—and legalization—have made.

The paraphernalia he once protested now is sold openly, since drug use by adults is permitted. But volunteers from the church train a video camera on the store all day to ensure that no paraphernalia is sold to children. The dealers and junkies who once congregated near the church have disappeared. During confessions, Flagg hears far fewer stories about children caught up in drug dealing. Now that drug companies can market directly to adults, children are no longer used as intermediaries—a perverse practice that arose because they were exempt from the severe penalties aimed at drug dealers. The parish school is benefiting from an influx of federal antidrug money. And legalization has halted the violent turf wars and drive-by shootings that formerly terrorized the neighborhood.

Nationally, the end of drug prohibition has resulted in an increase in use—much of it at the expense of alcohol consumption. But the increase is concentrated primarily in the suburbs, where residents can legally purchase drugs previously available only in the inner cities. In poor urban neighborhoods, drugs are no more readily available now than before (less so for children). And because kids are rarely involved in the drug trade, that route to drug use has been largely blocked.

When Flagg preached a sermon calling for recriminalizing drugs, many parishioners openly disagreed with him. The church deacon told him: "You really don't give our community enough credit. All your preaching about how the liquor billboards and drug legalization will result in a mad rush to do drugs....What makes you think we aren't capable of making our own decisions?"

WHEN FLAGG CALLED FOR RECRIMINALIZING DRUGS, MANY OF HIS PARISHIONERS DISAGREED.

The Yuppies

Thanks to legalization, Josh and Stacy Hurwitz no longer fear criminal prosecution for a lifestyle they share with millions of Americans. Josh and Stacy met in the mid-'70s at the University of Wisconsin, where both indulged heavily in recreational drug use. Like many of their high school and college friends, the Hurwitzes continued their private use of marijuana when they married, bought a house, and started a family.

But the intensifying drug war made it increasingly dangerous for the Hurwitzes to smoke pot. They knew that this private behavior, subject to a simple fine during their college days, could now land them in prison. They knew that their jobs would be jeopardized by a drug conviction. And they worried about their neighbors' reaction should their pot use become public knowledge.

For these reasons, the Hurwitzes decided that buying pot from dealers was too dangerous. So for years they grew their personal supply. They dedicated a corner of their basement to this pursuit, camouflaging three pot plants among ferns and tomato plants. This assured them a steady supply of paraquat-free marijuana. The strain of pot they grew was much more powerful than what they had smoked in college. Consequently, they smoked less of it to achieve the same effect. This reduced both the number of plants they required and the threat that smoking any substance posed to their health. (Neither smoked tobacco.)

Through the years only a few college friends with whom they still occasionally indulged were aware of the source of their marijuana supply. Only once had Josh and Stacy revealed their secret to someone they hadn't known for years. Stacy learned that a neighbor's husband had developed glaucoma and feared the loss of his sight. After speaking with Josh, Stacy discreetly informed the neighbor that smoking marijuana might help her husband's condition and that she and Josh could help to supply him. In the following months, the grateful neighbors regularly received a gift they might otherwise have been unable to obtain—especially after the Food and Drug Administration ended its "medical marijuana" program.

Because of their experience with pot, Josh and Stacy favored legalization. They knew, firsthand, that marijuana was a relatively benign drug. And although they didn't use cocaine, they had tried it in college. That experience didn't jibe with the overwrought TV commercials implying that occasional coke use inevitably leads to addiction and death.

Legalization hasn't changed the Hurwitzes' lifestyle or the amount of pot they smoke. But it has ended their fear that recreational pot use will land them in prison. They continue to smoke alone or with old college friends, while keeping their pot use a secret from neighbors and employers. They are careful not to smoke in front of their two children, who are receiving drug education in school. In spite of this, their 7-year-old son recently found them smoking when he got up from bed in the middle of the night and disapproved strongly. Josh jokes with his friends that little Nathan now poses a greater threat to their habit than the drug czar or the DEA ever did. ■

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SEMATECH
MICHELON

DRAM SCAM

HOW THE UNITED STATES BUILT AN INDUSTRIAL POLICY ON SAND.

BY BRINK LINDSEY

If you want to see how "industrial policy" actually works in practice, take a look at Sematech. This semiconductor research and development consortium, funded jointly by private industry and the federal government, is probably the country's biggest foray yet into this new-style interventionism. While Sematech currently is seeking an extension of federal funding, it is also serving as the model for other initiatives.

On the industry side, Sematech's 14 member companies account for 80 percent of combined U.S. semiconductor sales. These companies contribute half of Sematech's roughly $240-million annual budget. Government participation consists of $100 million a year from the Defense Department's Defense Advanced Research Projects Agency (DARPA), as well as various state and local subsidies. The declared goal of this government-industry "partnership" is to develop new technologies that will help U.S. industry to regain (from Japan, of course) world "leadership" in this economically and militarily "strategic" industry.

From the standpoint of industrial-policy supporters, Sematech would appear to have all the makings of an ideal test case. "Sematech was an experiment, but also a good model," says Daniel F. Burton Jr., executive vice president of the Council on Competitiveness, an umbrella group sympathetic to a more active federal role in industrial policy.

In the first place, Sematech's beneficiary is not some declining smokestack industry; rather, the focus here is on the cutting edge of high technology. Thus, the usual knock against industrial policy—that it favors dying "sunset" industries at the expense of emerging "sunrise" ones—is seemingly inapplicable. Furthermore, the fact that Sematech is dedicated to "precompetitive" R&D apparently dispenses with the other stock argument against industrial policy—namely, that government should not be in the business of picking winners and losers.

And indeed, the basic idea behind Sematech—that government should extend its R&D spending into overtly commercial areas and should do so by working directly with private companies—has been gaining popularity. The Reagan and Bush administrations have generally opposed anything that looks like industrial policy. Due largely to the influence of presidential science adviser D. Allan Bromley, however, the White House has now signaled that it supports government funding for development of commercial technologies, so long as they are sufficiently "generic" to be considered "precompetitive."

One notable example of this kind of policy is the Advanced Technology Program (ATP), administered by the Commerce Department's Technology Administration. ATP, which gives grants to private companies conducting high-tech R&D, started with a 1990 budget of only $10 million; the budget rose to $36 million in 1991 and will increase $46 million in 1992. Meanwhile, the push is now underway to extend federal support for Sematech, which ex-

pires at the end of 1992, for another five years.

Sematech's actual track record, though, should serve as a warning rather than a blueprint. Cutting through the high-tech jargon and reassurances about "precompetitive" assistance, a close look at Sematech confirms all the darkest suspicions of industrial-policy critics. For as it turns out, even microelectronics has its sunset industries, and even precompetitive R&D has its winners and losers.

Semiconductors, or "chips," are electronic devices that store, retrieve, and process information. They provide the hardware "smarts" not only for computers but also for televisions, fax machines, telephones, microwave ovens, cameras, car ignitions, and antilock brakes—not to mention Patriot and cruise missiles and all the other dazzling high-tech weaponry on display in the Gulf War. Usually made from silicon, with microscopic aluminum wiring deposited on the surface in multiple layers, chips are miracles of miniaturization: A single chip the size of a postage stamp can contain millions of electronic components, with features on its surface measured in fractions of a micron (a human hair is about 75 microns thick).

Semiconductors may be divided into two basic categories: memory chips and logic chips. Memory chips, as their name implies, store and retrieve data. The biggest-selling of these is the DRAM (dynamic random access memory, pronounced dee-ram), which provides short-term data storage for computers. DRAMs are relatively simple to design but excruciatingly difficult to manufacture—at least at production yields high enough to make selling them commercially viable. Accordingly, the key to competitive success in DRAMs is high-volume, low-defect, low-cost production. DRAMs and other high-volume memory chips have been dubbed "commodity" chips to reflect their fungibility and fluctuating prices.

Logic chips, on the other hand, juggle and manipulate data. They make decisions, route information to different destinations, perform calculations, and relay instructions. The best-known logic chips are microprocessors, which act as central control centers in personal computers. Since logic chips perform complex functions and frequently have highly specialized or even customized applications, the premium is on design rather than raw manufacturing efficiency. Unlike memory chips, logic chips compete in the marketplace based on what they can do, not how much they cost.

The origin of Sematech goes back to the mid-1980s, when U.S. companies staged a wholesale evacuation from the DRAM business. Although DRAM technology was pioneered in the United States (Intel invented the DRAM in 1971), by the early 1980s American chipmakers were seeing their profits and market share slip away in the face of fierce Japanese competition.

A glut in worldwide DRAM capacity, combined with a sharp drop in demand, caused prices to plummet in 1985. Faced with huge and mounting losses (though not as large as the losses being suffered by Japanese producers), one U.S. chipmaker after another bailed out of DRAM production. By 1986, only two American-owned companies were left making DRAMs for sale, Micron and Texas Instruments. The American industry, which had virtually monopolized the world market only a decade before, now claimed less than a 10-percent share. The Japanese, on the other hand, had increased their market share to more than 80 percent.

(By the way, these statistics do not take into account the U.S. "captive" producers—namely IBM and AT&T—that produce chips for their own use rather than for sale on the open market. Both companies have continued to manufacture DRAMs, and IBM remains the world's largest producer.)

The loss of DRAMs sent the industry into a panic. Many regarded commodity memory chips as the key "technology driver" in semiconductor production. In this view, the unceasing race to cram more and more memory onto less and less silicon at lower and lower cost spurs the innovations that are needed to stay competitive in all areas of chip manufacturing. Thus, the state-of-the-art DRAM in the late 1970s contained 16,000 bits of memory; today companies are beginning to sell DRAMs with 16 million bits of memory—a thousandfold increase. Drop out of this race, it was thought, and competitiveness in other more specialized semiconductors would soon falter as well.

Having failed in the marketplace, the big U.S. chipmakers turned to Washington for help. They prevailed upon the U.S. government to bring antidumping cases against Japanese producers, accusing the Japanese of selling below cost. (Since both American and Japanese chipmakers were losing money in the mid-1980s, they were all selling below cost in a sense. This is all that's required to trigger antidumping tariffs.) The antidumping cases threatened Japanese chip imports with punitive duties as high as 108 percent. To avoid this outcome, the government of Japan struck a deal with the U.S. trade representative in July 1986.

The agreement imposed worldwide controls on Japanese semiconductors. It established price floors for sales to the United States and third countries and targeted 20 percent of the Japanese market for U.S. and other foreign suppliers. To implement the agreement, Japan's Ministry of International Trade and Industry leaned on Japanese chipmakers to reduce output and shipments of DRAMs. The result was an acute worldwide shortage of DRAMs during 1988 that raised prices, bestowing windfall profits on Japanese chip companies and inflicting serious harm on U.S. computer makers, computer buyers, and anyone else who needed DRAMs. (Last summer this agreement, in somewhat altered form, was extended for another five years.)

Sematech represented the next step in the Washington strategy. After using political means to restrain foreign competitors, industry leaders now campaigned for outright government assistance. In March 1987, 14 U.S. chipmakers announced the formation of a consortium to take on the Japanese in developing advanced manufacturing techniques. They also announced that they wanted government funding for the project.

Initial planning for the consortium, called Sematech for "semiconductor manufacturing technology," had envisioned actually manufacturing DRAMs for sale. This idea was scuttled, first because the remaining American DRAM producers didn't want to create a new competitor, but also because IBM was afraid it would get stuck buying Sematech chips if other purchasers could not be found (not exactly a ringing endorsement of the consortium's prospects). Accordingly, project planners settled on the more limited goal of cooperative R&D, which members could then use in their own manufacturing operations. Even this degree of collaboration marked a dramatic shift from the rugged entrepreneurship that had always characterized the American microelectronics industry.

(The idea of a DRAM-making consortium was later resurrected in the form of U.S. Memories. Plans for this consortium, which was not to receive any direct federal funding, collapsed in 1990 due to the unwillingness of key computer companies to participate.)

Sematech's formation coincided neatly with the release the previous month of a Pentagon-sponsored study on "defense semiconductor dependency." The report concluded that "it is simply no longer possible for individual U.S. semiconductor firms to compete independently against world-class combinations of foreign industrial, governmental and academic institutions." As a result, "a direct threat to the technological superiority deemed essential to U.S. defense systems exists." The report's top recommendation: DOD funding of $200 million a year for five years to support the establishment of a "Semiconductor Manufacturing Technology Institute." This report was prepared by the Defense Science Board, whose advisory panel just happened to include a number of representatives from Sematech member companies.

The combination of competitiveness and national security concerns carried the day for Sematech, though the consortium got only half the money it hoped for: Congress authorized $100 million a year for five years. The money would come from DARPA, a small agency within DOD devoted to high-tech weapons research. Notwithstanding the national security justifications and the defense budget funding, the focus of Sematech's R&D would be explicitly commercial. Industrial policy had sneaked in through the Pentagon back door.

DESPITE THE NATIONAL-SECURITY JUSTIFICATIONS AND THE DEFENSE-BUDGET FUNDING, THE FOCUS OF SEMATECH'S R&D WAS EXPLICITLY COMMERCIAL FROM THE START. INDUSTRIAL POLICY SNEAKED IN THROUGH THE PENTAGON BACK DOOR.

As sold to Congress, Sematech's mission was to create a "world-class" manufacturing facility that would serve as a model for the industry. To this end, the consortium constructed a large chip factory (known in industry jargon as a "fab") in Austin, Texas, and hired more than 700 engineers and staff. The idea was that Sematech's demonstration fab could develop new manufacturing processes that would then be implemented by member companies. The idea didn't work.

Sematech had planned to pursue its mission in three phases. Phase one would involve experimental chipmaking at linewidths of 0.8 micron, then the state of the art. In phase two and phase three, Sematech would move on to 0.5 and 0.35 micron, respectively.

To help get Sematech started in phase one, IBM donated its designs and proprietary processes for making four-megabit DRAMs; in addition, AT&T contributed the technology for its 64-kilobit SRAM (static random access memory, a type of high-speed memory chip). With this assistance, Sematech achieved its phase-one goal in 1989. Meanwhile, private companies, including U.S. firms that didn't belong to Sematech, had been selling chips with 0.8-micron linewidths since 1986. In other words, Sematech was able to borrow technology from private companies and reproduce manufacturing results that other private companies had achieved years before—and do it with taxpayers' money.

After phase one, Sematech shifted attention away from process R&D. It retained the 0.5- and 0.35-micron goals, but now the focus was on the manufacturing equipment needed to make chips with those linewidths. Sematech had originally intended to spend 80 percent of its money on in-house research; after 1989, it began allocating more than half its budget to outside R&D contracts with equipment manufacturers. Within the Sematech fab, efforts now concentrate on evaluating the performance of new tools rather than the actual how-to of making chips.

The problem with the demonstration fab concept was simple: Sematech wasn't making real products for sale. To produce commercial chips would be to admit that Sematech's work wasn't really "precom-

petitive" and so wasn't a public good just like government-funded basic R&D. But not to produce salable chips was to undermine the whole enterprise.

"What really matters with a [semiconductor] technology is shipping it in production—that means you have it down," explains T.J. Rodgers, president of Cypress Semiconductor and probably Sematech's most vocal critic. Indeed, the relation between production efficiency and selling is so well established in high-tech industries that it has a name: the "learning curve." The theory of the learning curve is that production costs fall at a fixed rate (usually thought to be around 30 percent) with every doubling of cumulative production volume. Sematech, though, can at best simulate this process.

"There's no one in this business who believes you can go down the learning curve without manufacturing," says Rodgers. "But Sematech's kickoff charter, approved by Congress, was to learn without manufacturing. It was a preposterous charter, and I said so at the time."

Sematech's new mission, then, is to help American chipmakers indirectly—namely, by helping the American-owned companies that supply them with chip manufacturing equipment. And indeed, the U.S. equipment industry is besieged.

In 1983, U.S. companies supplied 69 percent of the world market in semiconductor manufacturing and test equipment; by 1990, the U.S. share had dropped to 45 percent. Meanwhile, Japanese market share has increased from 25 percent to 44 percent over the same period. In 1985, seven of the 10 largest equipment companies were American; now five of the six largest are Japanese.

Sematech has set out to arrest this decline. Its goal is to preserve at least one viable American-owned supplier in each of several key equipment areas. To this end, Sematech is now spending over $100 million a year in outside R&D contracts with equipment suppliers, either to improve existing equipment or to develop equipment for the next generation of semiconductor manufacturing.

Sematech justifies its new mission by trumpeting the dangers of depending on Japanese suppliers. In a controversial move last May, Sematech and Sen. Lloyd Bentsen (D-Tex.) charged Japanese equipment companies with intentionally withholding state-of-the-art technology from American chipmakers. Even some Sematech members felt obliged to distance themselves from these allegations: Intel, Texas Instruments, and Motorola all declared that they had never experienced difficulties getting top equipment from Japanese companies.

Furthermore, many of the specific examples of technology withholding dissolved under scrutiny. For example, Sematech had accused Nikon of withholding its G-5-D stepper (a machine that imprints the circuit pattern on the silicon wafer) from American buyers. As it turned out, only one of these machines was ever sold in the United States because the product had been so defective that it was soon replaced by another model. In other instances, Japanese suppliers had never received any U.S. orders for the machines they were accused of withholding. Nevertheless, Bentsen commissioned a General Accounting Office study to look into the issue.

The GAO report, issued last September, is a model of mushy equivocation. While the GAO did find that a number of U.S. chipmakers had experienced delays in getting advanced equipment from Japan, it was unable to cite any evidence that such delays were intentional or in any way commercially abnormal. Indeed, the report makes this sweeping caveat:

"GAO could not verify much of the information provided. The U.S. companies interviewed requested that GAO not discuss their specific problems with other U.S. firms or with foreign suppliers. Also, U.S. companies were not required to provide GAO with documented information. Moreover, GAO did not assess whether the practices of foreign suppliers were common business practices or whether they would violate any laws or international agreements." In other words, the GAO's findings and a couple of bucks will buy you a beer.

To the extent that Japanese equipment companies do supply their domestic market first, it is largely a matter of the way new equipment is developed in Japan. Chipmakers there tend to work closely with equipment companies in evaluating and "debugging" new machines. By contrast, U.S. semiconductor companies have traditionally maintained an arms-length relationship with their suppliers. Thus, Japanese companies buy equipment at an earlier stage of product development than American companies do. The Japanese approach has its advantages—early access to new technology—but it also requires a substantial commitment to working with equipment that is not yet fully operational.

"It really cuts both ways," says George Gilder, author of *Microcosm*. "I mean, do you really want to have that leading-edge piece of equipment that doesn't quite work perfected on your line? You have to have a very good relationship with a company to want to do that. It's not that big an advantage."

Sematech's assistance to equipment suppliers is premised on a "food chain" theory, according to which noncompetitiveness in the equipment industry leads inexorably to noncompetitiveness "up the food chain" in the chip industry. Even if this theory is faulty (and certainly the sensationalistic version peddled by Sematech, with its sinister Japanese conspiracies, is pure hokum), there is nonetheless a general consensus that Sematech has been doing some useful work, both in evaluating new equipment and improving working relations between chipmakers and suppliers.

"The major impact of Sematech is the communication that has been opened up between manufacturers and suppliers, allowing them to sit across the table in the board room and ask whether the manufacturers' needs are being met," says Eric Winkler, a spokesman for the Semiconductor Equipment and Materials Institute, a trade association. "Sematech has served as a conduit to allow our members access to information about the industry that would otherwise not be available to them." Now that suppliers and manufacturers have begun talking,

however, Winkler says he isn't sure Sematech is still necessary to promote that cooperation; the move toward closer relations may just continue on its own.

Indeed, if U.S. semiconductor producers truly feel threatened by a growing dependence on foreign-owned suppliers, they can do something about it without government aid. After all, total U.S. purchases of semiconductor equipment and materials came to several billion dollars last year. Chipmakers can easily use their purchasing decisions to ensure a continued U.S supplier base, if they think this is a priority. Sematech's $100 million a year in government-subsidized contracts may help a few favored suppliers, but overall Sematech can add very little to what private industry is already capable of doing for itself.

While Sematech was spending the last four years worrying about linewidths and equipment-supplier market shares, the U.S. chip industry has quietly gone about making a very impressive comeback. Since 1987, the combined U.S. share of the total world semiconductor market, adjusted for exchange-rate fluctuations, has been holding steady at around 35 percent. In 1990, U.S. companies actually gained market share on the Japanese.

To accomplish this turnaround, U.S. companies ignored just about everything Sematech's supporters have ever said about semiconductor competitiveness. The conventional wisdom held that commodity memory chips were the key to success in semiconductors generally. American chipmakers, though, have based their comeback on the growing market for complex logic chips. The conventional wisdom held that staying ahead in the chip business was possible only through constant incremental improvements in manufacturing technology. American companies instead concentrated on their strengths in innovative chip design. The conventional wisdom held that only vertically integrated giants or cartel-like consortiums could go head-to-head with the Japanese. The American resurgence, however, has been led by small, entrepreneurial start-ups.

Recall that commodity memories like DRAMs were supposed to be the "technology driver" upon which the whole future of the industry hinged. To quote from the Defense Science Board report that helped launch Sematech:

"The U.S. semiconductor industry may very soon, in fact, be competitive only in very small, 'specialty' segments of the overall market. This situation has arisen partly because of loss, in some areas, of technological leadership, resulting in an inability to compete with high-quality products in commodity markets."

Of course, this doom-and-gloom has not come to pass. Japanese companies do still dominate the market for commodity memory chips, holding a 62-percent share, compared to 23 percent for U.S. firms. DRAMs, though, have become a very ugly business. Not only are there a number of new Japanese entrants, but the Koreans and Taiwanese have also jumped into the game. Furthermore, sales of memory chips sank 17 percent last year. So more and more companies are chasing less and less money. As it turns out, the exodus of American companies from this high-anxiety, low-margin market—decried at the time by the industrial-policy crowd—looks in retrospect like a smart business move. (Interestingly, Intel, a major backer of Sematech and of industrial policy in general, was one of the first companies to walk away from DRAMs.)

Meanwhile, American companies have been thriving in those supposedly marginal "specialty" markets derided by the Defense Science Board. U.S. companies currently hold 48 percent of the market for complex logic chips, compared to 43 percent for the Japanese, and the American lead is increasing. Worldwide sales in this area jumped some 15 percent last year and are now one-third larger than sales of commodity memory chips. And unlike look-alike commodity chips, the distinctive features of logic chips allow their sellers to command big price premiums that translate into high profit margins.

What happened? Why were the DRAM devotees so wrong? The answer has to do with a revolution in the process of chip design that has dramatically accelerated the product development cycle. Through the use of "silicon compilers"—powerful software that automates major aspects of chip design—a small team of engineers using desktop computer workstations can now accomplish in a few months what droves of their colleagues using bulky central-

WHILE SEMATECH WAS WORRYING ABOUT LINEWIDTHS AND MANUFACTURING EQUIPMENT, U.S. CHIPMAKERS WERE MAKING AN IMPRESSIVE COMEBACK. THEY DID IT BY IGNORING EVERYTHING SEMATECH'S SUPPORTERS HAD EVER SAID ABOUT SEMICONDUCTOR COMPETITIVENESS.

ized mainframes would have taken years to complete.

Faster, cheaper chip design has triggered an explosion of new products made for specialized applications. "Because of the new design tools, there has been over a tenfold rise in the number of chip designs generated every year—from around 10,000 in the mid-'80s to over 100,000 today," says Gilder. "And all these new designs tend to be unique and thus for higher value-added products."

As a result, generic chips needing customizing software are giving way to already-customized hardware. This growing specialization of production means that design innovation, rather than manufacturing process, has become the key to creating new value for customers.

"We have just gone through a period over the past 30 years where fielding competitive electronic products has in large measure been determined by the ability to innovate in semiconductor manufacturing," explains Andrew Rappaport, president of The Technology Research Group and a leading industry consultant. "Today, though, competitiveness is much more determined by being able to transform broadly available semiconductor technology into some kind of useful product."

This novel situation may be described as a "silicon glut." The race to cram more and more transistors onto a single chip continues, but the field is crowded, the pace is brutal, and the rewards of winning are greatly diminished. "The ability to manufacture semiconductors has evolved to the point that marginal improvements in [the] manufacturing process don't necessarily contribute to increased value in all semiconductors," says Rappaport. Furthermore, "these improvements spread so quickly that the advantages to the company or country that is first to achieve this marginal advantage are very short-lived."

The competitive edge in chipmaking now belongs to companies that can take advantage of the silicon glut, not those that simply add to it. By focusing their resources on specialized, design-intensive logic chips, American companies have exploited the glut and cashed in accordingly.

When high-volume, standardized production was the name of the game, it made sense to think that large, vertically integrated companies had a competitive advantage. Commodity memories still adhere to this production model, so it's not surprising that Japanese conglomerates dominate the market. The growing prominence of design-intensive chips, however, gives the advantage to smaller or more nimble companies that can respond quickly and innovatively to changing market conditions. The silicon glut has played into the strengths of Silicon Valley's entrepreneurial start-up culture.

Indeed, much of the recent growth in the American semiconductor industry has come from new companies. If you take a look at the companies with the highest returns on equity last year, you will see names like Altera, Cirrus Logic, Cypress Semiconductor, Weitek, and Xilinx—names that no one had ever heard of back in the mid-1980s, when DRAMs were lost and the sky was falling. All of these companies have made their money by coming up with specialized products, particularly design-intensive logic devices.

Indeed, only Cypress actually manufactures its own chips. The other companies are "fabless" chipmakers; these firms contract out production of their designs to other chipmakers with excess fab capacity or to specialized "foundries" that only make other companies' chips. Rappaport, a strong (and controversial) booster of the fabless chipmakers, notes that "so long as aggregate investment in semiconductor manufacturing technology worldwide is large enough to continue the evolution of technology in a predictable and rapid way, then there's very little reason for a company exploiting that technology to control the investment in how that manufacturing improvement occurs."

Rappaport cites Xilinx, a company that makes logic devices that customers can program (and reprogram) for themselves: "Although the company farms out production mostly to Japan, it retains all the intellectual assets that have been created around its chip architectures. The low-value, commodity aspects have been farmed out to Japan, where the fabs make very low margins on the work they do for Xilinx. Xilinx, meanwhile, has increased margins and volumes on its own business, and therefore has more to invest in its own R&D."

Sematech has been at best irrelevant to this exciting revitalization of American chipmaking. Indeed, to the extent that Sematech has had any impact at all, it has actually hindered these positive developments by favoring older, more-established companies over innovative newcomers.

There is a fault line in the industry that separates the established, billion-dollar giants—the "dinosaurs," as T.J. Rodgers calls them—from newcomers like Cypress and the fabless companies. In contrast to the entrepreneurial dynamism on the newcomer side, the establishment side is characterized by sluggishness and even stagnation. (Intel, with its commanding position in microprocessors, is a spectacular exception.)

Six of the eight largest U.S. chipmakers lost money last year. Advanced Micro Devices, with $1.1 billion in annual sales, has made a profit only two out of the past six years; National Semiconductor, with $1.7 billion in annual sales, has been profitable only once in the past six years. In addition to their financial woes, the established giants also share another common trait: They all belong to Sematech.

When asked about niche companies like Cypress and the fabless chipmakers, the Council on Competitiveness's Daniel Burton gives the typical pro-industrial policy response. "My hat's off to them," he says, "but I think that especially in the semiconductor market not everyone can be a niche player." And Sematech, it seems, is designed to subsidize the companies that eschew niches.

But even with a restricted membership—its dues structure favors large companies—Sematech was supposed to generate "spillovers" that would benefit not only the larger chip companies but the entire U.S. economy. Yet Sematech's members appear to have kept spills to a minimum. Specifically, in testimony before Congress last July, Rodgers accused Se-

matech of 1) giving its members unfair advantages through "technology holdback" agreements and 2) using "kickback" schemes to funnel money back to members.

Rodgers tells the following story: "Back in 1989 my engineers were visiting a company called Westech, which makes wafer polishing equipment. They came back and told me that there was a piece of equipment in a back room they weren't allowed access to. When they asked about the equipment, all they got were evasive answers. I then called the president and V.P. of sales, but I got the same waffling answers."

The next year, Rodgers solved the mystery when he became involved as an expert witness in litigation between Sematech and Travis County, Texas. (Sematech was claiming that as a "charitable organization" it was exempt from local taxes.) Rodgers was able to get access to subpoenaed documents, including an R&D contract between Sematech and Westech regarding the equipment that Cypress had been unable to purchase.

According to Rodgers, the contract contained an explicit requirement that Westech withhold equipment developed under this contract "for a period of one year from the time of normal introduction" from all companies except Sematech members. Rodgers says he saw another similar contract with Westech, as well as one with Applied Materials, a major equipment supplier. Sematech admits that these "holdback" agreements existed and still defends them. "Since members were paying $100 million [for new technology], they should get the first chance to buy and use it," says Sematech spokesman Buddy Price. Sematech's current policy, however, allows companies contracting with Sematech to sell to anyone at any time.

Rodgers also objects to the way Sematech's equipment R&D contracts benefit Sematech members. In a number of "equipment improvement projects," Sematech has purchased newly developed machines and installed them at the fabs of member companies. In exchange for free use of a machine, the member evaluates it and reports back to Sematech. (At the end of the project, the member has the option of buying the machine from Sematech at a discounted price.) In other words, Sematech members are getting state-of-the-art equipment, free or on the cheap, that they might well have bought anyway.

ALTHOUGH IT'S SUPPOSED TO HELP THE WHOLE U.S. INDUSTRY, SEMATECH LOOKS LIKE A CLIQUE OF LARGE, ESTABLISHED, HIGH-PROFILE COMPANIES USING GOVERNMENT MONEY TO FEND OFF DOMESTIC AS WELL AS FOREIGN COMPETITION.

Using his access to court documents, Rodgers got the details on one such deal, which involved the installation of an advanced wafer-etching machine from Applied Materials at Intel. For assisting in the project, Intel got a $1.5 million piece of equipment for free. It also received $700,000 to defray installation costs and another $1.2 million to evaluate the machine. This bag of goodies was equivalent to a 23-percent reduction of Intel's yearly Sematech dues.

Other examples can be cited. National Semiconductor received a chemical vapor deposition system (worth around $2 million) from Applied Materials and a vertical furnace (worth over $400,000) from SVG. In the largest such project to date, Sematech installed 14 GCA steppers (about $2 million apiece) at four different members' fabs.

These examples suggest that the $120 million figure for the annual industry contribution to Sematech's budget may be misleading; when the giveaways are deducted from dues, the government proportion of the consortium's budget may rise substantially. Unfortunately, this public-private partnership considers its financial records proprietary. When REASON filed a Freedom of Information Act request for the audited annual reports Sematech is required by law to submit to the secretary of defense, we were first bounced from the GAO to the DOD and back, then told that Sematech is considered a government contractor—not a government agency—and therefore isn't subject to FOIA requirements. As of this writing, REASON has yet to obtain the records, although our efforts are continuing; congressional scrutiny during the upcoming hearings on Sematech's reauthorization could also turn up the elusive financial reports.

Sematech portrays itself as helping "the U.S. semiconductor industry" take on the Japanese. In fact, though, Sematech looks much more like a clique of large, established, high-profile companies using government money to fend off not just foreign competition but also up-and-coming rivals here at home. Burton, of the Council on Competitiveness, says that Sematech has made U.S. companies more competitive with their domestic rivals, not just with foreign firms. It "is not a trade protection group," he insists.

Buzzwords like *precompetitive* notwithstanding, Sematech is yet another example of government meddling in an industry to pick winners and losers. And as usual, the bureaucrats have backed the wrong horse. Within the sunrise industry of microelectronics, the government has managed to locate and subsidize the sunset companies, to the detriment of those young and dynamic companies that represent the industry's future.

But even if Sematech is high-tech pork barrel, what about national security? Maybe a government-funded consortium doesn't make sense from an economic point of view, but isn't it worth spending some money to preserve a high-volume chip manufacturing base in this country to service our defense needs—particularly in light of reports that all that wonderful Gulf War weaponry was chock full of Japanese semiconductors?

Sematech would certainly have you think so. Flip through its PR literature, and you'll find constant references to national defense. One old annual report goes so far as to feature this quotation from Shintaro Ishihara's *The Japan That Can Say No*, blown up and set against a red background: "Should Japan decide to sell its chips to the Soviet Union instead, that would instantly alter the balance of military power." Sematech even has a martial flag: It's a reworking of the coiled rattlesnake, "Don't Tread on Me" flag, except this time the snake has 14 rattles. More seriously, Sematech got its government funding in large part on the strength of national security concerns, as reflected in the Defense Science Board report.

Even before the Cold War ended, this line of argument was utterly without merit. Now it borders on the disingenuous. Simply put, it may be stated categorically that the United States is not now, nor in the foreseeable future will it be, militarily "dependent" on imported semiconductors or vulnerable to supply disruptions.

In the first place, the chips in which the Japanese are dominant—commodity memories mass-produced for the commercial market—are of limited military significance. The semiconductors that fly aboard advanced aircraft and missiles are highly specialized devices designed and tested to withstand radiation exposure, dramatic temperature fluctuations, and other extreme conditions completely irrelevant to production for the commercial market. This kind of specialized production remains an American specialty.

The chips that do the real heavy lifting on high-tech weapons systems are not commodity memories but complex logic chips. Devices that can compute trajectory, control guidance systems, recognize targets, and so forth contribute the real systems value to "smart" weapons—not bulk memory. The American lead in these products remains undisputed.

Furthermore, even in DRAMs the U.S. military has plentiful sources of supply. Among American companies, Texas Instruments, Motorola, and Micron all sell DRAMs commercially. Additionally, IBM and AT&T are large captive producers; they could certainly provide chips if the need arose. A number of Japanese manufacturers—NEC, Mitsubishi, and Fujitsu—make DRAMs on U.S. soil. Finally, if the Defense Department wants to import chips, it can turn to suppliers in Europe, Korea, and Taiwan in addition to Japan. It is pure nonsense to think that the United States could get cut off from all of these sources.

Sematech's original plan was to take government assistance only for the first five years, after which it would be self-sufficient. Like many of Sematech's plans, though, this one has changed.

With federal funding due to expire at the end of 1992, the consortium has decided that five more years of "partnership" with the Defense Department will be needed. The new five-year plan envisions continued funding levels of $100 million a year. This time, Sematech will put a greater emphasis on software and so-called computer-integrated manufacturing—yet another change of direction.

Whatever Sematech's future, its past has at least served to reaffirm some tried-and-true rules regarding government intervention:

❖ Rule number one: Whenever government decides to step in and "help" an industry, the effect, whether intentional or not, is usually to preserve the status quo and stifle beneficial change. This isn't because bureaucrats are stupid; it's because of the nature of politics. Government naturally favors interests with political clout, which means interests that are well-organized and well-funded. Accordingly, the political contest between industry giants—with their trade associations and Washington offices and PR offensives—and the entrepreneurial start-ups that are trying to upend them will always be a skewed one.

❖ Rule number two: "Strategic" industries are a dime a dozen. Every decent lobbyist can come up with several plausible-sounding reasons why the industry he represents is a linchpin of American economic strength and must therefore be preserved at all costs. The only real validation of such claims, though, is ongoing wealth-creation and growth. And if an industry meets this definition of "strategic," it doesn't need government help.

❖ Rule number three: Patriotism is the last refuge of scoundrels. National security may indeed take precedence over economic considerations, but arguments that the free market is undermining us militarily should be assessed skeptically. In most cases, what is at stake is the security of special interests, not the nation.

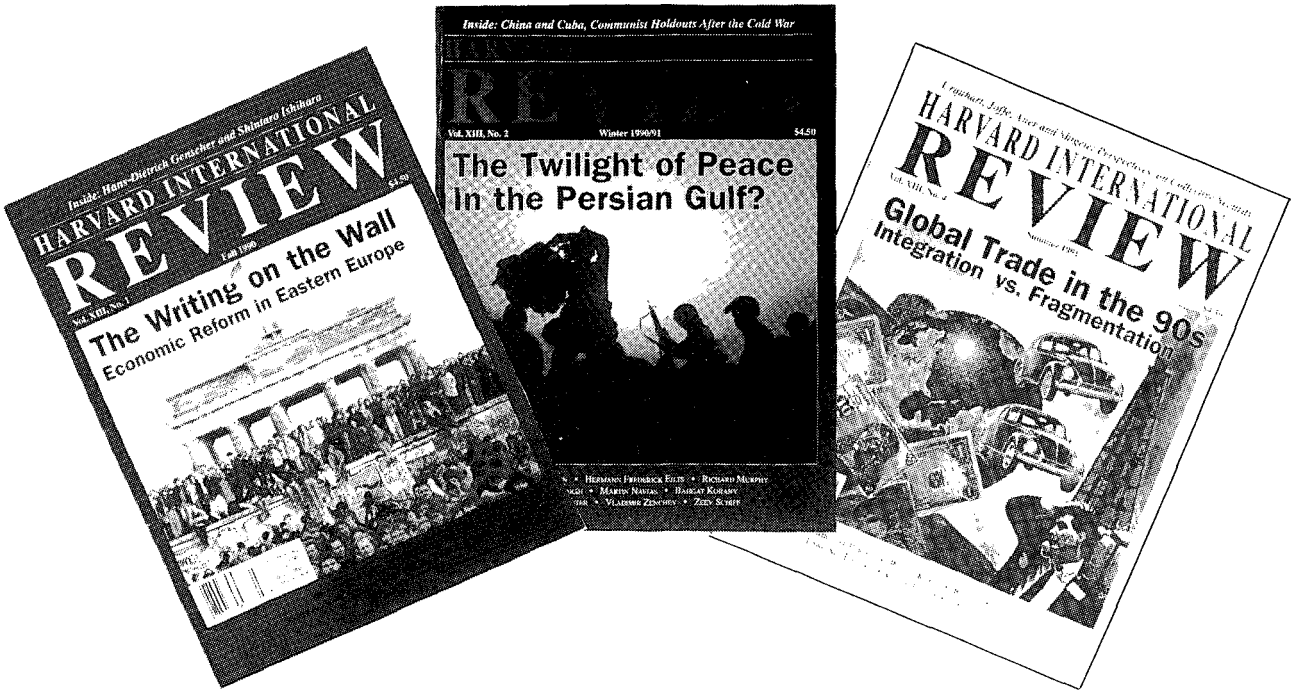
❖ Rule number four: Nothing lasts forever, but "temporary" federal assistance comes close. Whenever government does intervene in an industry, there is almost irresistible pressure for it to remain there. Not only do beneficiaries within the industry become addicted to government support, but bureaucrats become convinced that the industry can't run without them.

Sematech demonstrates that these rules apply just as much to high-tech industries as to agriculture, textiles, steel, automobiles, or any other sector of the economy. With these lessons learned, it's time to pull the plug on Sematech—if rule number four will allow it.

Brink Lindsey is an attorney who represents foreign clients in international trade matters.

"I am very impressed by the *Harvard International Review.*"

–Henry Kissinger



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BETTER BANG, FEWER BUCKS

BY T.A. HEPPENHEIMER

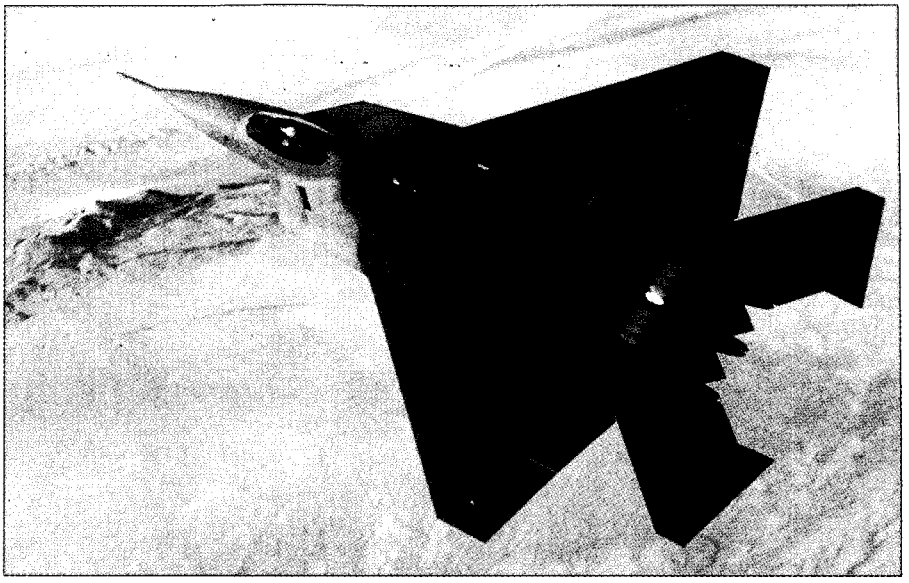
As the Jim Beam whiskey ad puts it, you always came back to the basics. The Pentagon seems to be doing this nowadays as it pursues its newest fighters, submarines, and tanks. Rather than attempting to build them by throwing together piles of money, the armed services are beginning to show a good measure of old-fashioned common sense. They are rediscovering such approaches as competition, flexibility in design, and making use of existing equipment.

The Air Force is leading the way with its newest top-of-the-line fighter project, the ATF. It follows a procedure one would think of as obvious: Have two companies build competing test versions from different designs, then try them in flight to see which is better. But this "fly before you buy" arrangement has been rare. Far more often, the Air Force or Navy picks a design after reading only paper studies.

The last time the military tried flying before buying, around 1975, it got one of the nation's outstanding military planes: the F-16 fighter, of which more than 4,000 have been built. The new ATF program has revived this procedure, pitting Lockheed's F-22 against the F-23 built by Northrop. The ATF program manager, General Joseph Fain, hasn't had to listen to bidders who might promise the moon. Instead he has had his people kick the tires and check performance in the air.

Last April, after the test runs, the Air Force picked Lockheed's F-22, although Northrop's F-23 was in some ways a better plane. The Northrop F-23 had higher speed and greater stealth, or invisibility, to radar and infrared detection. But Northrop has repeatedly blown the big ones in recent years, failing to deliver on major missile and guidance-system contracts while incurring huge delays and overruns on its B-2 stealth bomber.

Lockheed, by contrast, has shown its stuff by bringing in its F-117A stealth fighter, a star of the Gulf War, on time and within budget. John Pike, an analyst with the Federation of American Scientists who follows such matters closely, observes that "the Air Force wanted the F-23—but they didn't want to buy it from Northrop."



Bucking tradition, the Air Force actually demanded a chance to check the F-22 performance before buying it.

Rep. John Conyers (D-Mich.), chairman of a committee that held hearings on Northrop in 1990, said last spring that he "could only assume that there was some long overdue consideration of Northrop's dismal track record of test fraud, contract suspension, and fines." Picking Lockheed was just common sense. But common sense can be quite uncommon in Washington. Only a few years ago the Air Force would probably have picked the F-23, then tried to wash away Northrop's resulting problems with floods of taxpayers' money.

The terms of the contract itself show the Pentagon's newfound good sense. The arrangement calls for a "cost plus incentive fee" structure, whereby Lockheed stands to make a big profit if it does a particularly good job. The Pentagon guarantees the firm a profit of 4 percent of its total expense, but if the company delivers a really good airplane while keeping costs well controlled, this profit could rise as high as 13 percent. Lockheed thus has a very large incentive to do the job right.

Such a contract contrasts sharply with the type that used to be popular, "cost plus fixed fee." This traditional "cost-plus" contract specified the profit as a fixed percentage of expenses. Such arrangements led to some famous overruns, because plane builders could boost their profits by running up additional charges.

Still, the ATF is at an early stage in its development, with by far the largest costs to come later in this decade. It is far too soon to tell how the F-22 will fare, since it will have to overcome a basic fact: The Pentagon's culture is one of irresponsibility, with hugely overstaffed project-management offices, proliferating departments that slice responsibility micro-thin, and massive quantities of paperwork.

"It's so easy to say no," says Ben Rich, longtime head of Lockheed's advanced projects group, the Skunk Works. "They form committees so they can spread the blame."

The overstaffing is easy to see. In

PHOTO RELEASED BY THE DEPARTMENT OF DEFENSE

1943, when America's first jet fighter was under development, its Air Force project office consisted of a single official. For the F-22 this number has grown to 600. As for the proliferating departments, Rich's Skunk Works had 14 such internal organizations in 1965. Today it has more than 220, even though its employment level is about the same and the number of active projects has actually diminished.

The result is a system within which large numbers of people nurture and pursue their tiny slivers of a project, with decisions made by consensus. There is a constant temptation to let these too-many cooks take another turn at the pot. "Military programs demand that you keep a number of constituencies on board," says Wolfgang Demisch, a leading Wall Street aerospace-industry analyst. "In essence, the Air Force and Navy are like a bunch of single-issue lobbying groups and you've got to keep them all happy."

That makes it difficult for these services even to know what they want in a new airplane. This has led to disaster in the most recent effort to bring reform to the process of procuring such weapons.

This effort was led by then-Navy Secretary John Lehman, who tried to fight cost overruns by tightening the terms of contracts. During the mid-1980s, he emphasized the "fixed price" type, under which Uncle Sam would not bail out the cost of an overrun but would force contractors to cover such charges out of their own pockets. Lehman proceeded to implement such terms in two major programs, an antisubmarine patrol plane and a new attack aircraft.

In 1988, Lockheed won the antisub contract by proposing to build a highly modified version of its existing patrol aircraft, the P-3C. But during 1989, Navy managers began adding an increasingly long wish list of new requirements, calling particularly for a very long service life. To meet this mandate, Lockheed could not use a modified P-3C; it would have to design an entirely new plane. Each plane would carry a sticker price of $60 million. But under the contract, the Navy would pay only $38 million. Lockheed called for more money. The admirals refused to budge and in 1990, the project bit the dust.

For the attack aircraft, the A-12, it was even worse. In April 1990, Defense Secretary Richard Cheney announced that the program was on schedule and in good shape. Over the next few months it accumulated a $5-billion overrun and fell 18 months behind schedule. And worse yet, the A-12 design proved to be five tons over its planned weight and unable to land on carriers. By year's end a defense undersecretary and two admirals had been fired or formally censured. Early in 1991, Cheney canceled the program.

If the F-22 program is to succeed, the Air Force must learn from the lessons of the F-117A stealth fighter, one of the outstanding successes of the past decade. That program didn't try to be all things to all people. Rather, the Pentagon launched it with one overriding concern: to build a fighter that would use new materials and design techniques to be radar-invisible. All other concerns—range, bomb load, speed—were subordinated to this principal demand.

The Air Force wasn't free to create long wish lists, helping Pentagon managers control costs and keep the program on schedule. The F-117A went on to show its worth in Desert Storm, knocking out the main air-defense center in Baghdad along with other key targets. The Iraqis didn't shoot down a single F-117A.

The F-117A program was something of a sideline to the Air Force nonetheless. Because its chief goal was to demonstrate new and unproven stealth technologies, it amounted to an experimental-aircraft project. What is more, it went forward under a veil of secrecy rivaling that of the Manhattan Project. By contrast, the F-22 effort seeks nothing less than to build the Air Force's first-line fighter for the early 21st century, and the program is very much in the open. Both these features increase the number of generals and other people who seek to get involved and to stir the pot.

Nevertheless, the Air Force seems to have its act together. Assistant Defense Secretary Donald Atwood recently said that the Pentagon will award no more Lehman-style fixed-price contracts. And the ATF program has so far avoided the long-standing practice of deluging contractors with minutely detailed made-in-Washington requirements.

James Blackwell, Lockheed's F-22 manager, says the Air Force laid down general performance criteria and defined the missions for the ATF. It let Lockheed and Northrop try to meet these criteria as each firm thought best, with designers at the two companies free to make their own choices in balancing the various features of an aircraft design. Thus Northrop's F-23 has more stealth, but the F-22 is more maneuverable.

Still another cost-saving move is to look for ways to get along with equipment that is already available, rather than ordering an entirely new development program. This cuts to the heart of the Pentagon's clients and bureaucrats, who love to invent new requirements as a justification for arguing that no existing weapon will do.

But both the Air Force and Army are buying new systems simply by inviting bidders to show what they already have. The bidders, in turn, are showing weapons that they are already selling overseas. The Army is following this procedure in procuring an air-transportable tank, while the Air Force is doing much the same in seeking a new trainer for jet pilots.

It is still too soon to see if these new approaches will succeed. And the stakes are high; the entire F-22 program is to cost $110 billion.

"We're emerging from the horror stories of the '80s," says Pike. "There hasn't been enough time for the horror stories of the '90s." Disasters emerge late in a design's full-scale development, and even the F-22, which has prototypes flying, isn't far enough along for the warts to emerge. But initial indications are that the Pentagon is learning from recent mistakes.

Contributing Editor T.A. Heppenheimer is an associate fellow of the American Institute of Aeronautics and Astronautics.

MARGINS OF ERROR

BY T. KEATING HOLLAND

The next time you see numbers from a public-opinion survey in a newspaper or on television, keep in mind the infamous toilet paper poll of 1976.

As pollsters tell the tale, a paper manufacturer that year printed up special rolls of toilet tissue—half with Jimmy Carter's face on them, half with Gerald Ford's. The manufacturer wanted to see which man's face would sell more rolls, and when the sales figures came in, the company put out a goofy little press release noting its highly unscientific findings.

Unfortunately, in the rush of coverage during the final days of the election season, a wire service mistook this for a serious survey and reported the results as an indication of who would win the White House. Not only had it mistaken a public-relations gimmick for a serious study, the story neglected to deal with a central question: Did people buy toilet paper with Jimmy Carter's face on it as a show of support or out of scatological spite?

"President" Dole confused favorable opinion polls with actual votes in New Hampshire.

As polling nightmares go, that's about the worst of the bunch. Newspapers and television stations, conducting their own surveys with the help of reputable firms, can usually get the story right—if they are willing to pay the proper amount of attention.

But anyone who imagines that modern polling methods have laid to rest the embarrassing days of DEWEY DEFEATS TRUMAN need only read the confident predictions in February 1988 that Bob Dole would win the New Hampshire primary. Even Dole's own pollster, Richard Wirthlin, had begun to call his candidate "Mr. President," and the surprise of his defeat, more than the margin of George Bush's victory, did the Dole campaign in.

The curious thing about polling as the 1992 election approaches is that the media will probably be doing less of it. Newspapers are tightening their belts, and the broadcast networks have already cut the number of exit polls by two-thirds by combining their resources to produce just a single exit poll among the three of them. News officials "report that they have no money," notes Burns Roper, head of the nationally syndicated Roper polling organization.

Yet poll haters have little reason to cheer. Political reporters will still feel the urge to lace their stories with poll results. With no source for them inside the media tent, the only poll numbers in town will come from candidates, public-relations firms, and special-interest groups—in other words, people who make a business out of trying to trick the media and, through them, the public.

The classic trick came after the Carter-Reagan debate in October 1980. When ABC ran special 900 lines to let viewers pick (at 50 cents a call) who had won the debate, Reagan was the clear favorite. Later in the evening, when the ABC polling unit had a chance to finish its scientific survey, it found a wildly different result.

Why the difference? Reagan campaign workers had stacked the deck on the 900 lines, calling them over and over to create the illusion that Reagan had mopped the floor with Carter. (Of course, Carter forces had tried the same trick, but they made too many calls from the Atlanta area and swamped the long-distance lines in the process.) Without the more reliable internal ABC numbers, the network would have been left misleading its viewers and itself. As it was, one New York newspaper the next day reported the call-in numbers that the Reagan forces had cooked.

"Bad information drives out good," notes Evans Witt, who heads up the Associated Press's poll coverage. "It's sexier, it's easier to understand, it doesn't come with all these caveats. It's like covering what's on Johnny Carson as a news conference. It's entertainment."

But entertainment is what draws readers and viewers, so expect to see more of it in 1992. And until figures from polls disappear from news stories altogether—roughly around the time the First Amendment is repealed—it will increasingly be up to viewers and readers to filter out the bad from the good.

Here are a few questions to ask while reading any poll story:

- *What is the margin of error?* For 40 years pollsters have been drilling into the heads of editors that any poll numbers should be accompanied by the little plus-or-minus figure that represents the smallest possible error associated with that poll. So most stories have that "margin of error" figure, even if reporters seemingly

feel free to ignore it.

Pollsters, of course, interview tiny slices of the country's population, and the margin of error provides a little "wiggle room" to compensate for that. The margin of error says that if the whole population were questioned, the resulting number would differ from the poll results by no more than *x* percentage points in either direction.

Nothing illustrates better how reporters willfully ignore the margin of error than their quadrennial quest to appoint a front-runner from among the presidential candidates. When Gary Hart briefly jumped back into the Democratic race in late 1987 after his affair with Donna Rice had forced him to withdraw earlier in the year, he pulled the support of 21 percent of Democratic voters in a CBS News/*New York Times* poll. Jesse Jackson finished second, with 17 percent. With a margin of error of plus-or-minus five points, however, it was just as likely that Hart's support was 16 percent (21 minus 5) and Jackson's was 22 percent (17 plus 5).

Statistically, all you could say about the two men was that they were just about tied for the lead. There was just as much chance that Hart was leading Jackson as that Jackson was leading Hart. But reporters—none of them from CBS or the *Times*—felt compelled to characterize Hart as the front-runner. The quickness of his second exit from the presidential race proved just how wrong it had been to use the words *Hart* and *front-runner* in the same sentence.

The rule for any reader to follow at home is simple: Subtract the margin of error from the top answer, and add the margin of error to the number-two answer. If the top answer doesn't still come out on top, it's wrong for the story to even hint that there's a difference between the two. If you spot this, feel free to cry foul.

• *Is there any other error?* The "margin of error" is just the lowest possible error, based on the formulas found in statistics textbooks. It says nothing about whether a question was slanted toward one answer or whether the questions that came before it had the same effect. Even the best polls may unintentionally suffer from these effects.

A prime example is one that most pollsters learn to avoid. Ask people whether they approve of President Bush at the start of a poll, and one "approval rating" will emerge. But if the approval question is preceded by queries about the recession, discontent with the economy will crowd out any positive thoughts of the president. Lower ratings are sure to follow. It works the other way, too: Asking a series of questions on Russia and the Persian Gulf at the top of the questionnaire will artificially boost Bush's rating.

"Bad information drives out good. It's sexier, it's easier to understand, it doesn't come with all these caveats," notes Evans Witt, head of AP poll coverage.

Common sense is often all that is necessary to pick these errors out. Just ask yourself, "How would I have felt if a stranger had called me up and asked me those questions in precisely that order?"

• *Who paid for the survey?* Possibly the most important question to ask. Polling is an expensive, labor-intensive business. If the survey was not paid for by a newspaper or television station, then someone else footed the bill. And that means that the candidate, or special-interest group, may have a hidden agenda. Don't be surprised when the Chocolate Ice Cream Council announces that chocolate is America's favorite ice cream flavor—and don't pay much attention to that "finding" either.

• *When was the survey taken?* Pollsters like to tell you that a poll only represents a "snapshot" of public opinion at a moment in time. That makes sense. Polls taken before Anita Hill's charges were made public showed Clarence Thomas with respectable ratings; polls taken after showed his negative ratings expand to three and four times their original size. Pollsters are wise to wait until some of the dust has settled before asking their questions.

That doesn't mean they always get the chance to. The problem with the 1988 New Hampshire polls noted above was simply that the pollsters stopped polling—and reporters started writing their stories—four days before the primary. Lots of New Hampshire Republicans changed their minds in that time. How do we know? Those polling organizations that kept asking questions until Monday evening did, at the very last minute, detect the switch to George Bush. (The same problem haunted the DEWEY DEFEATS TRUMAN pollsters in 1948. They stopped polling with three or four weeks to go in the campaign.)

Once again, common sense is the only necessary antidote. See when the poll was taken and figure out for yourself whether events have outstripped its conclusions. Often they have.

• *Is this really a poll?* In other words, is it really a survey done by a professional organization in which everyone in the targeted population had an equal chance of being picked? Or is it a 900-number call-in, which is heavily biased toward people who have the money to blow on such things? Is it a magazine mail-in survey, which clearly excluded anyone who doesn't read the magazine? Is it the work of a reporter who stopped people on the street? Is it the preference of people who buy toilet paper stamped with politicians' likenesses? Is it the tally of a radio talk-show host with a very idiosyncratic following?

The media are still trying to learn how to cope with these pseudo-surveys. Until they take the pledge to avoid all of them, it will be up to the reader to discount and ignore most of them.

The campaign coverage of 1992 will present a bewildering welter of polls, good and bad. The stories that quote them carry the same caveat that is built into any piece of news—not "let the reader beware," but certainly "let the reader be smart."

T. Keating Holland is a Washington, D.C.-based free-lance writer and former pollster.

DEEP WATER

BY RHONA MAHONY

Anyone who has traveled to Mexico City knows that its air pollution is horrible. Birds fall from the sky; foreign executives get hardship pay. The air pollution is the worst recorded anywhere in the world, but it is not the most serious threat facing the city. The most serious threat, one that could turn this capital of 20 million people into a ghost town, is that it's running out of water.

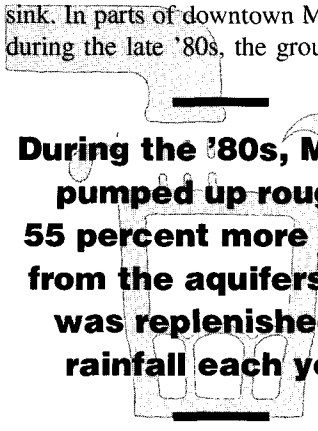
Government officials caused the shortage, partly by charging absurdly low prices for water. Recent news has frightened them into scaling back the subsidies. This year they raised water prices, but they did not act boldly enough. Politicians arbitrarily chose the new prices, rather than creating a market for water. It would be purely accidental if the new prices reflected actual supply and demand. No one knows whether they will encourage big enough changes in water allocations or enough conservation.

Mexico's timidity about setting up a water market is similar to California's reluctance to let farmers sell their water rights to higher—mostly urban and drought-stricken—bidders. In both cases, urban water users will suffer. In Mexico, the poor suffer the most.

It took the Mexican government 400 years to create the water crisis. After the Spanish conquest, engineers built canals to drain the lakes surrounding the city and to carry away flood waters. The canals provided the inhabitants with all the water they needed. But during this century, they became so polluted with sewage and runoff that the water they carry is now unsafe.

For decades, the city has gotten nearly all its water from underground aquifers. Growth in the city's population caused huge increases in the demand for water. Instead of charging more, the government simply pumped more. During the 1980s, it pumped up roughly 55 percent more water from the aquifers than was replenished by rainfall each year. You can only do that for so long, and then you run out. Before you run out, you cause havoc.

The havoc takes several forms. First comes subsidence. The ground above an aquifer that is being emptied begins to sink. In parts of downtown Mexico City during the late '80s, the ground sank at the stunning rate of 12 inches a year. That subsidence inflicted millions of dollars of damage on buildings, underground telephone cables, and, of course, water pipes. The broken pipes leaked, which led officials to pump even more. Moreover, depleting the aquifer so quickly made the remaining water more saline. The water may eventually require expensive treatment to be drinkable.



During the '80s, Mexico pumped up roughly 55 percent more water from the aquifers than was replenished by rainfall each year.

Government officials who saw the damage happening first considered bringing in more water from nearby valleys. But agricultural interests there—much like Owens Valley residents in California who resent Los Angeles—resisted that suggestion. The government could not afford to build more aqueducts anyway.

In 1990, after a scientific symposium sponsored by an environmental group, participants issued this conclusion to the press: "The geohydraulic situation in the Valley of Mexico guarantees the destruction of the city if current water consumption tendencies continue unchanged." That attracted attention. The water agency announced plans to raise water prices. That caused enormous protest.

The water agency had little choice, however. Industry and business, which then used 28 percent of the capital's water, were paying 620 pesos (21 cents) per cubic meter (264 gallons). Residential users, who consumed 57 percent of the total, paid at most 66 pesos (2 cents) per cubic meter. Furthermore, the government metered only 40 percent of users and collected only 30 percent of fees charged. As a result, the system's revenues covered less than 7 percent of its operating costs. With no money for maintenance, all those broken pipes leaked like sieves.

As one would expect, the low prices had an effect on demand. The average resident used 300 liters (89 gallons) a day. That's roughly what we guzzlers in the United States use but twice the consumption of Japan and Western Europe.

Millions of poor Mexico City residents never got a chance to be wasteful. Families in new, outlying settlements had to buy water from roving trucks. They paid higher prices and got only a 200-liter (53-gallon) barrel once every three days.

The water agency put new prices into effect this year, after government approval. Industry now pays on a scale, from 1,000 pesos (33 cents) per cubic meter for 30 cubic meters up to 2,900 pesos (95 cents) per cubic meter for over 240 cubic meters.

Residential users also face a scale. A household with average consumption will pay 404 pesos (13 cents) per cubic meter, or 137 pesos (4.4 cents) per day. So the typical household's water bill in pesos has increased by a factor of 18. The government has yet to measure the impact on consumption.

There are striking parallels between Mexico City and California: fast population growth, an apparent water shortage, refusal by political leaders to displease wealthy recipients of subsidies, and overpumping of ground water. The overarching problem in California, as in Mexico City, is that water has not been

valued at its market price. Unfortunately, state leaders are catching on slowly. The drought, now in its fifth year, has prompted only minor reform.

One attempt at change is the Governor's Water Bank, created by Gov. Pete Wilson on February 15, 1991. The bank was supposed to ease water shortages in Southern California by centralizing water-marketing deals. It was supposed to make the messy business of negotiating water prices between many buyers and sellers more "orderly."

The process took on a semblance of order because the state stepped in and dictated the price. Officials at the state Department of Water Resources offered water sellers in northern California $125 per acre-foot (326,000 gallons), based on a hypothetical farm budget. The department buys the water and then sells it to southern users.

Those users include the Los Angeles area's Metropolitan Water District, which is getting half of the total (215,000 acre-feet out of 430,000); San Francisco; and the Santa Clara Water District, south of San Francisco. After transportation charges, buyers pay between $250 and $300 per acre-foot. The Metropolitan Water District might have been willing to pay a higher price to get more, but it wasn't allowed to.

In both Mexico and California, figuring out how to improve the system is much easier than overcoming the political obstacles to change. Top-down reform might work in Mexico, since Mexico City is controlled by the national government, which is now headed by a reform-minded, Harvard-trained economist. California, though, is a different story. The state is run by legislators and a governor who both owe much to the wealthy growers who still get 80 percent of the state's water at a deep discount. California's wider public will get their fair share of the water only when they get mad enough to become politically active.

Both Mexico and California should give a real water market a chance. Prices will work, if we let them.

Rhona Mahony is a free-lance writer in Stanford, California.

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Those "West Bank" Settlements

Are they *really* the "greatest obstacle to peace"

Not too long ago, our Secretary of State James Baker made the astonishing comment that Israeli settlements in Judea/Samaria (the "West Bank") were the greatest obstacle to peace in the Middle East. Could Mr. Baker possibly be right? It's a serious accusation and it deserves examination.

What are the facts?

■ In order to gain perspective, some thumbnail history may be in order. Large numbers of Jews have been living in these territories since biblical times – without interruption. Most of the Arabs living there are in fact relative newcomers. "Palestine" is the entire area now covered by Israel, including Judea/Samaria (the so-called "West Bank") *and* what is now the Kingdom of Jordan. It originally also included the Golan Heights, which later, in an agreement between England and France, were ceded to France, and to Syria as the successor in possession. In 1922, contrary to the requirements of the League of Nations Mandate, the British severed the entire area east of the Jordan River and gave it to the Hashemites as reward for their assistance in World War I. Thus, fully 75% of Palestine, all of which under the Mandate and under the terms of the Balfour Declaration was meant to be a homeland for the Jewish people, was lost for that purpose. Only the area west of the Jordan River was left for Jewish settlement.

■ In 1947, after decades of strife between Arabs and Jews, the British decided that they had enough and announced that they would relinquish the Mandate. The United Nations stepped in and proposed a partition plan under which the country (west of the River) was to be divided into respective Arab and Jewish areas. Jerusalem was to be an internationalized city. The Jews accepted the plan; the Arabs refused it out of hand. In 1948, on the twice truncated territory allotted to them by the United Nations, the Jews declared their independence, and the state of Israel was born. On the same day, six Arab armies invaded the new-born state. In what can be described as an almost biblical miracle, the Jews defeated the six Arab armies. When an armistice was finally secured, however, TransJordan remained in possession of Judea/Samaria (the "West Bank") and the eastern part of Jerusalem; Egypt remained in possession of the Gaza Strip. TransJordan promptly renamed itself Jordan.

■ Once in possession of the "West Bank" and East Jerusalem, the Jordanians promptly proceeded to expel all Jews and systematically to desecrate and to destroy most Jewish sacred places, cemeteries and houses of worship. No Jews, regardless of whether they were Israelis, Americans or citizens of any other country, were allowed into the "West Bank" or East Jerusalem, the locale of the Western Wall, the holiest site in Judaism. In 1967, Abdel Nasser of Egypt, joined by the same array of Arab armies that had tried to destroy Israel in 1948, launched another war against Israel "to drive the Jews into the sea" and into oblivion, once and for all. The Israelis pre-empted and utterly defeated the combined Arab might in the 6-Day War, one of the greatest military victories in history. When the dust of war settled, the Israelis had not only retained their national territory, but had repossessed (not occupied) the territories of Judea/Samaria (the "West Bank"), the eastern part of Jerusalem, the Gaza Strip, the Golan Heights and the vast Sinai Peninsula.

It is clear from this abbreviated history that the Israeli claim to the "West Bank" is at least as strong as that of the Arabs. It's only by dint of constant repetition that the world has come to think of these territories as "occupied Arab land". About 100,000 Jews now live in these territories. And why shouldn't they? Why should the Arab countries and the "West Bank" be the only places in the whole wide world where Jews are not allowed to live? How can 100,000 Jews living among 700,000 Arabs be the "greatest threat to peace"? How can Secretary Baker get so exercised and consider a new settlement of a few mobile homes on some barren Judean hills as the "greatest threat to peace", when he seems to be oblivious and totally unconcerned about the unrelenting hostility of the Arab countries, the de facto incorporation of Lebanon by Syria, the Scuds and chemical weapons still remaining in Iraq, and the relentless and ominous build-up of Syria's missile forces?

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WHY JOHNNY CAN'T PRAY

BY DAVID BERNSTEIN

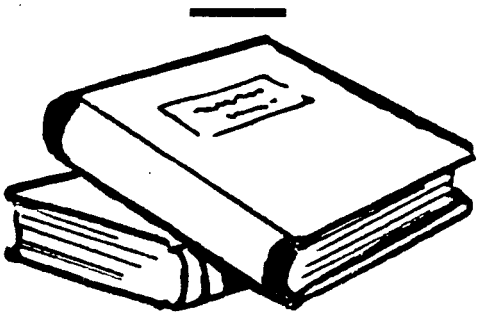
Last November, Daniel and Vivian Weisman, together with their two daughters, Merith and Deborah, drove from Providence, Rhode Island, to Washington, D.C., to tell the U.S. Supreme Court why official prayers should not be permitted at public-school graduation ceremonies. As Jews in a state that is mostly Catholic, the Weismans are especially sensitive to the message communicated by such prayers. Most of their neighbors have trouble understanding what all the fuss is about.

From the majority's perspective, the incidents that eventually brought the Weismans to Washington were innocuous. When Merith graduated from Nathan Bishop Middle School in 1986, a Baptist minister gave the invocation, in which he asked the parents and students to rise and thank Jesus. Offended, the Weismans complained to school officials. As a result, when Deborah graduated from the same school in 1989, a rabbi gave the invocation, which included a "nondenominational" prayer.

The Weismans were not satisfied. The principle, it seemed to them, was the same: The Establishment Clause of the First Amendment means that government has no business endorsing religion, whether it be a specific sect or a vague Judeo-Christianity. A federal district court and the U.S. Court of Appeals for the First Circuit agreed, but the state of Rhode Island appealed to the Supreme Court. There the state of Utah and Solicitor General Kenneth W. Starr weighed in on the side of Rhode Island. The Weismans were represented by the American Civil Liberties Union.

Like the Weismans, Charles Chesnutt of Fairfax County, Virginia, feels that his freedom of conscience has been threatened by public-school policies. And like the Weismans', his concerns have met with incomprehension from bureaucrats representing the sensibilities of the majority. Chesnutt had to take time off from work twice during the last school year to meet with officials who demanded that he justify his decision to keep his child out of sex-education classes. "This is totally inappropriate in a free society," Chesnutt complained to *The Washington Post*. "The whole process...is all a form of intimidation."

But don't expect to find the ACLU representing people like Chesnutt. America's leading lobby for civil liberties unvaryingly opposes the right of parents to have their children excused from classes, even when the material taught conflicts with the parents' religious beliefs. If a sex-education instructor teaches that homosexuality or premarital sex is normal and appropriate, or that abortion is often an attractive option, the ACLU says that religious parents who object to those ideas have no constitutional right to remove their children from that teacher's class.



In Wisconsin, Catholic schools will become nonsectarian in order to receive government funding. The schools will offer religion classes by instructors of various faiths.

The organization argues that religious parents should have to lobby and negotiate with educational bureaucrats just as everyone else does. ACLU Legislative Director Barry Lynn says that if the parents are unsuccessful, they can always resort to "their constitutional right to set up their own religious schools." The ACLU, which during World War II valiantly defended Jehovah's Witnesses who refused to pledge allegiance to the flag in public school, now maintains that religious children may be compelled to sit through areligious or even antireligious classes in sex education and "values clarification."

The ACLU fears that giving special privileges to religious students would run afoul of the Establishment Clause. Religious parents, on the other hand, argue that not allowing their children to opt out of objectionable classes violates the First Amendment's guarantee of religious freedom. Similar arguments can be heard in debates over school prayer, textbook selection, and the teaching of creationism. Such cases are typically described as conflicts between two First Amendment principles, with the question being which will predominate.

Rarely does anyone ask how the conflicts might be avoided in the first place. Under the current system of public education, they seem inevitable. After all, the government forces parents to send their children to school. By taxing parents to fund public schools, the government makes it financially impossible for most of them to send their children anywhere else. So it's hard to dismiss the complaints of parents who object on religious grounds to what public schools teach (or fail to teach) their children. Given the civil-liberties problems inherent in the current system, the ACLU should welcome the logical alternative: a voucher system that would allow parents to choose schools that reflect their values.

Full-fledged school choice would avoid a host of troubling controversies. A few years ago, for example, a group of fundamentalist parents in Hawk-

ins County, Tennessee, sued to force the public school to offer their children alternatives to books the parents found objectionable, including *The Diary of Anne Frank* and *The Wizard of Oz*. One ACLU board member, Nadine Strossen—now the ACLU's president—argued that the schools should be required to provide an alternative reading program, or at least should allow students to choose not to read religiously offensive materials. But the full ACLU board sided with the ultimately victorious school district, holding that "mere exposure" to other points of view did not constitute indoctrination or forced participation in religion.

The ACLU's position on this point is inconsistent. When it comes to religious references in the classroom, the ACLU considers "mere exposure" the establishment of religion, prohibited by the First Amendment. Until recently, for example, ninth-graders in Chesapeake, Virginia's public-school system received a privately published pamphlet entitled "Dating and Your Right to Choose" as one of many readings in the system's Family Life Education program. The booklet contained prochastity statements with religious bases such as "God has given each person a priceless gift, but many people carelessly give it away," and "God condemns the sin of fornication." After the ACLU threatened legal action, the school district discontinued use of the pamphlet. Thus children are entitled, indeed may be forced, to be exposed to every sort of viewpoint in classes that touch on moral issues, so long as religious opinions are not among them.

Or consider the fight against the teaching of "scientific creationism," the biblical story of creation masquerading as science, in public-school classrooms. Most civil libertarians would have you believe that banning such teachings is an unambiguous victory. Why should religious fanatics be allowed to prevent students from learning objectively sound scientific doctrine?

The issue is not nearly so clear-cut, however. Take the case of John Peloza, a science teacher at Capistrano Valley High School in California and runner-up for the school's teacher-of-the-year award. Peloza has been reprimanded for violating state law by teaching creationism alongside evolution. Many parents support Peloza, arguing that the teaching of evolution by itself violates their religious beliefs. They unabashedly compare Peloza to John Scopes, whom the ACLU defended in the famous 1925 Monkey Trial for teaching evolution despite a Tennessee statute to the contrary.

So who is right: Peloza and his supporters or the school district? There are no easy answers to many such questions involving the conflict between religion and public schooling. So long as the public-school funding monopoly exists, there will be clashes between those who believe that secular public education is "neutral" and therefore appropriate and those who believe that such education inherently promotes "secular humanism" or just generally discourages religion.

Each conflict is a zero-sum game, with the side best able to marshal political and/or legal resources emerging victorious. Either evolution and not creationism will be taught in public schools, violating the rights of religious fundamentalists, or creationism will be taught alongside or instead of evolution, confusing or misleading children about scientific opinion. Either religious viewpoints will be incorporated into "family-life" classes, threatening the separation of church and state, or they won't, creating a secular atmosphere that impedes parents' efforts to raise their children strictly in their faith.

In theory, compromises can be reached on many of these issues, by excusing children from classes their parents don't approve of, for example. But in practice, public schools probably cannot accommodate the needs of all the members of a diverse, pluralistic society without violating anyone's rights or destroying any semblance of a common curriculum.

Under a voucher system, by contrast, a wide range of schools, each with its own goals, curriculum, methods, and philosophy, would compete for students. Parents would have a much better chance of finding schools where they would feel

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comfortable sending their children. The ACLU's Lynn recognizes that vouchers have intuitive appeal for civil libertarians. After all, if there were no state schools, the state could not use the schools to indoctrinate children, as it has done so often in the past. Indeed, Lynn says that while the ACLU has not taken a position on vouchers, many of its members are sympathetic to the concept, at least if applied solely to secular schools.

But the ACLU is vociferously opposed to the possibility of vouchers that would be redeemable at private religious schools, arguing that such vouchers would amount to unconstitutional government support of religion. The extent of the ACLU's antipathy to full-fledged school choice was apparent in Oregon in the fall of 1990. The Oregon chapter of the ACLU joined a coalition to defeat a referendum on the state ballot that would have forced the state to provide tuition vouchers through an amendment to the state constitution. Known as Oregonians for Public Education and Religious Liberty, the group was funded mainly by the teachers' union.

The coalition shamelessly used the threat of public funding for "cult" schools to scare people into voting against the referendum. Even worse, it played on voter prejudice against fundamentalist Christians who teach their children at home and would have been eligible for the vouchers. The Oregon ACLU did not let out a peep of protest against such tactics, despite the ACLU's once-proud history of defending religious minorities from legislative campaigns based on intolerance.

Although the Oregon initiative was defeated, there are bound to be similar attempts in the future. And the national ACLU promises to lobby and litigate vigorously to make sure that the full panoply of regulations and constitutional safeguards that apply to public schools will apply to recipients of vouchers as well. For example, Jewish yeshivas that do not want to cede a competitive advantage to secular private schools might be forced to admit non-Jewish students and make arrangements for them to be excused from classes in Jewish studies.

But equity dictates that any future voucher program include religious as well as secular schools. State preference for nonreligious schools would amount to the official establishment of nonreligion, a violation of fairness if not of the Constitution. Such a system might even destroy existing religious schools by luring away parochial-school parents with free private schooling.

Choice plans applicable to religious but nonsectarian schools could prove to be a second-best solution. In Wisconsin, where the state legislature has experimented with vouchers that can be used only at secular private schools, Catholic education officials are hoping to win inclusion in the program. Under their plan, already endorsed by Archbishop Rembert Weakland, Catholic dioceses will convert their schools into nonsectarian entities in order to receive government funding. The schools will offer religion classes by instructors of various faiths.

Indirect aid to such private schools through a voucher program would probably pass constitutional muster. As David Boaz of the Cato Institute points out, "A voucher is no more government support for a particular school than food stamps are government support for Safeway." Boaz adds that the G.I. Bill was a form of tuition voucher for higher education. Many veterans attended religious colleges, and some even attended seminaries, all on Uncle Sam.

The Supreme Court has yet to address directly the issue of vouchers used for religious schooling, but in 1983 the Court upheld a Minnesota law that provided tax deductions for expenses at private schools, including religious schools. Justice William H. Rehnquist, writing for the majority, concluded that the Establishment Clause "simply [does] not encompass the sort of attenuated financial benefit, ultimately controlled by the private choice of individual parents, that eventually flows to parochial schools." Clint Bolick, vice president of the Institute for Justice, who is defending vouchers in court, thinks it likely, though far from certain, that the Court will ultimately uphold voucher programs that include religious schools.

But libertarian proponents of school choice have other worries. What if vouchers become the proverbial camel's nose in the tent that allows the government to take over private schools? The government might provide vouchers, free of strings, for several years, only to heavily regulate the schools once they became dependent on government funds. That, in fact, is what happened in the Netherlands to government-supported religious schools and what is currently happening to American "private" universities. The defeated Oregon constitutional amendment addressed this worry by prohibiting increased state or local regulation of private or home schools. Statutory choice programs, however, can give no such guarantees.

ACLU officials seem to be looking forward to the battle over regulation. "It gets me mad," says Lynn, "that you have these libertarians who want it both ways—they want private schools to receive government funding, but not to be subject to government regulation."

Despite the opposition of the ACLU and other civil-libertarian groups, full-fledged school choice is the best hope for resolving the conflict between public schooling and religious liberty. By giving parents, rather than the state, the final word on educational policy, school choice would settle some of the most vexing civil-liberties questions of our time, not through the victory of one ideology or religious outlook over another, but by allowing each family to select a school in harmony with its beliefs.

As the Supreme Court wrote in 1925, while striking down a Ku Klux Klan–inspired Oregon law aimed at closing down Catholic schools: "The child is not the mere creature of the state; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations." It is time for civil libertarians to learn that lesson and to help protect the right of parents to guide their children's moral and religious education.

David Bernstein, a graduate of Yale Law School, lives in Cincinnati.

Clearing Away the Rubble

BY CATHY YOUNG

Rebuilding Russia: Reflections and Tentative Proposals, by Aleksandr Solzhenitsyn, translated and annotated by Alexis Klimoff, New York: Farrar, Straus and Giroux, 119 pages, $14.95

The Anti-Communist Manifesto: Whom to Help in Russia, edited by Lev Timofeyev Bellevue, Wash.: Free Enterprise Press, 96 pages, $7.95

Solzhenitsyn looks backward. He may not offer what modern Russians seek.

The September 1990 publication of Aleksandr Solzhenitsyn's essay, "How to Revitalize Russia," as a special supplement to the daily *Komsomolskaya Pravda* and the weekly *Literary Gazette* was something of an event. The great writer who had become a living symbol of resistance to the Soviet regime was offering advice to his troubled homeland—and two leading Soviet newspapers were giving him a forum. His first words stated the truth, until then cloaked in the euphemism of *perestroika*: "Time has finally run out for communism."

Now the essay appears in English as a slim book entitled *Rebuilding Russia: Reflections and Tentative Proposals.*

For years, Solzhenitsyn's political views have been the object of intense controversy, with allegations of monarchist sympathies, anti-Western bias, Russian chauvinism, and anti-Semitism. *Rebuilding Russia*, however, makes it clear that Solzhenitsyn's fairly moderate nationalism is poles apart from the hate mongering of the infamous Pamyat. He lends no support whatsoever to the chauvinists' ravings about Jewish conspiracies to destroy Russia, though some Russian Jews were upset by his failure to condemn anti-Semitism. He does caution against Russian "imperial delusions" and favors independence for most of the republics, though insisting that the Ukraine and Kazakhstan should remain part of a "Russian Union."

Nor does Solzhenitsyn show any interest in the restoration of Russian monarchy. For all his reservations about democracy—elections based on universal suffrage, he complains, "assume that the nation...is not a living organism but a mere mechanical conglomeration of disparate individuals"—he stresses that his criticism is "not meant to suggest that the future Russian Union will have no need for democracy. It will need it very much." The second half of *Rebuilding Russia* is a detailed plan for a grass-roots system of self-government, drawing on the pre-revolutionary Russian tradition of *zemstvo*, an embryonic democracy of local assemblies.

Superficially, the political system Solzhenitsyn envisions does not seem that different from the Western variety. Yet he never accepts the Madisonian concept of social balance achieved through the interaction of competing interests. He regards political parties as nasty and divisive and speaks of "a system of trust based on the idea that moral unity is...achievable." To this end, Solzhenitsyn proposes a nonpolitical advisory body of "respected individuals of lofty moral character, wisdom, and rich experience" that would act as a moral arbiter and, if unanimous, have veto power over any government action.

Solzhenitsyn prefaces his plan for the Russian state by rightly warning that the system of government is not the central issue, since "political activity is by no means the principal mode of human life." Yet, convinced that the character of the citizenry is the key to national well-being, he neglects to mention that political *structure* is vital because some forms of government leave far more room for private initiative than others.

Perhaps, in a country laid to waste by the state's effort to wipe out the civil society, he assumes that to be self-evident. Yet while Solzhenitsyn has highly specific proposals for the structure of Russia's future government, he never bothers to outline its functions or the boundaries of its authority. He offers, as it were, a constitution without a bill of rights.

While Solzhenitsyn takes the time to praise "the West's civil liberties [and] its respect for the individual," his antipathy to the rights-based model of society is plain. True, he sounds less like a Slavophile than a Burkean conservative, asserting that "if we do not wish to be ruled by a coercive authority, then each of us must rein himself in." But what if each of us does not prove so conscientious? Solzhenitsyn's railings against Western popular culture and "vulgar fashions" raise fears that he would not be averse to using the power of the state to stop this "liquid manure" from

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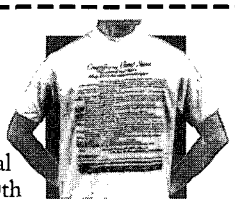

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seeping into the country.

Nor can one take comfort in his views on the economic role of government. Even Solzhenitsyn's endorsement of private property is limited to "ownership of modest amounts of property which does not oppress others." Land must be privatized cautiously, to ensure that it would not be purchased by speculators and large corporations, not to mention foreigners. And, while exhorting his countrymen to "respect healthy, honest...private commerce," Solzhenitsyn adds that the profit motive will turn "destructive to the health of society" unless kept in check and that "excessive growth...must be regulated by means of antitrust laws and progressive taxation."

The problem is not merely that Solzhenitsyn is, as he admits, no economist. He is above all a moralist, appalled by the "wasteful extravagance" of the consumerist West. Time and again, the writer betrays his antimodern bias, painting a rather idyllic picture of "the Russia of old" where "prices went unchanged for a century at a time" and "the peasant sensibility" was intact.

The editor's preface to an equally slim collection of essays by six Russian radicals, written in the fall of 1990 and published here as *The Anti-Communist Manifesto*, echoes Solzhenitsyn's opening: "The main event of the 20th Century will be the resignation of the last Communist government of Russia. The empire of evil is being destroyed." But the similarities end there.

The title is slightly misleading, since the contributors—who include three of Russia's best-known free-market economists: Boris Pinsker, Larissa Piyasheva, and Vassily Selyunin—are far less interested in anticommunist diatribes than in a sober analysis of the problems facing their country. Much of that analysis remains relevant.

One of the authors' goals is to warn the West against ill-conceived schemes of aid to what was then the Soviet Union—though they are convinced that the right kind of aid is essential. "We shall not be able to erase the terrible traces left by Communist madness without assistance from all civilized humanity and particularly from the people of America," the editor, economist, and former political prisoner Lev Timofeyev writes in the preface.

Larissa Piyasheva, who was in 1987 the first writer to advocate capitalism in an official Soviet periodical, insists that all loans must be tied to "real steps toward privatization and free enterprise" and cautions that even liberal politicians elected on promarket platforms cannot always be trusted to take such steps. She also counsels Western firms seeking Soviet partners to avoid the state sector as well as " 'mixed' state-private firms."

While the authors regard themselves as disciples of F.A. Hayek, their bark may be more libertarian than their bite. Selyunin's plan in "How to Convert the Soviet Economy into a Free Market" stipulates fairly extensive government benefits and sets the ceiling for taxes at a staggering 50 percent of GNP (with tax breaks for developing private businesses). Still, this program of sweeping privatization and price decontrol is about as capitalistic as anything Russia is likely to get in the near future.

Most important, the contributors to *The Anti-Communist Manifesto* have the right instincts. Pinsker could be responding to Solzhenitsyn when he lambastes Soviet land reformers' efforts to keep wealthy investors out of agriculture: "The aim was to make it impossible for a farm to be treated as capital. However, if it has no market value, what value does it have?"

Timofeyev's remarkable essay, "Some Notes on the Black Market Economy," is a spirited defense of that Soviet bogeyman, the black marketeer. Contrary to widespread assumption, Timofeyev argues, the Soviet regime never succeeded in eradicating the market: "In the recent decades not a single product or service was produced in this country with no connection to the black market." It was only thanks to the "shadow economy" that the nation survived.

Although a Christian like Solzhenitsyn, Timofeyev consciously eschews moralism in his approach to economics. Yes, many black marketeers are un-

savory people; but "when money is invested into production, whether by a bribe-taking minister or a hard-working farmer, it produces benefits for society." So what if corrupt communist officials use their ill-gotten gains to become capitalists? Let them make themselves useful and get rich—as long as they let others do the same.

"We must finally admit," concludes Timofeyev, "that ours is a society with a sick mentality. Perhaps the chief source of this sickness is the Russian educated class, the intelligentsia, and the main manifestation of the sickness is egalitarianism."

The authors of *The Anti-Communist Manifesto* probably share Solzhenitsyn's view that material prosperity is not the be-all and end-all of the social order and that hedonism can be a danger; they simply have more-realistic priorities. Yet it's not just that Solzhenitsyn's message to the Russians is ill-timed. He does not seem to consider the possibility that the "spiritual life" of the nation may benefit not only from religion, family, and organic communities but also from individual liberty, the pursuit of knowledge, and, yes, entrepreneurial creativity.

Recently, after the Soviet government met all of his conditions, Solzhenitsyn announced that he was going home—but not until he completed his next novel. Once in Russia, he said, he would be too involved in other things (presumably offering guidance to those rebuilding Russia). Some observers have suggested that Solzhenitsyn is delaying his return because he really doesn't want to go back. Perhaps he fears to discover that his guidance will not be in great demand.

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Living on the Edge

BY TIM W. FERGUSON

Edge City: Life on the New Frontier, by Joel Garreau, New York: Doubleday, 546 pages, $22.50

A neoliberal journalist has trekked across America asking why people like to live and work in clean, safe, sort-of-urban comfort. Joel Garreau approaches the phenomenon he calls "Edge City" unusually open to the idea that the middle class, in their demonstrated preferences, might not be total nincompoops.

His topic is the rapid growth of office-commercial centers along the periphery of big cities—more broadly stated, the changing way of life that has brought those developments about, and the changes they, in turn, have brought in the way many people live. These clusters of minimally 5 million square feet of work and shopping space have sprung up, he tells us, to bring offices and stores nearer to where most of us prefer to live: in suburbia. We want to make and spend our money in controlled, contained surroundings because—to oversimplify a bit—we cannot brook the dirty, menacing hassles that our public spaces, including urban streets, have become.

The primary cause of this change has been the emergence of working women and mothers. Garreau writes, "Edge Cities doubtless would not exist the way they do were it not for one of the truly great employment and demographic shifts in American history: the empowerment of women." In talking to developers, he finds it "eerie" how often 1978 is mentioned as the year these projects, far from the "traditional male-dominated downtown," became plausible. Then he discovers that 1978 was also "the peak year in all of American history for women entering the work force."

Critical to linking an Edge City with its suburban and significantly female workforce was the automobile, whose numbers more than doubled between 1970 and 1987. The household's second car, the author suggests, facilitated the second income. In stressing the freedom and convenience that the personal auto has meant, Garreau savages its opponents. After a bibliographical reference to an article titled "Commuter Attitudes Toward Ridesharing," he annotates simply, "They hate it."

This is a fresh and interesting endeavor: How many works respectfully inquire about the lifestyle choices of mainstream Americans? The energy level early on is high as the author makes his basic case. Alas, Garreau then spins a bit too far into sociological discourses, delivered largely through the words of experts and designated folks he meets in nine representative areas of the country. He'd have written a better book if the batteries in his tape recorder had run down.

Edge City goes on location to explore different aspects of the new lifestyle. With Detroit, naturally, it's the car. Atlanta is the scene for a discussion of race relations (Edge Cities are about class and not color, the author finds) and Phoenix a case study of what Garreau calls "shadow governments"—essentially, unelected regional planning authorities. Garreau spends enough time with these digressions that you don't really need to consult his recommended reading list. (For example, he cites his series of articles in *The Washington Post*, which he draws on.) He probably included the material to give a book examining land-use phenomena additional weight. It contributes mainly poundage.

Garreau duly credits people such as Christopher Leinberger, who first broached the concept of what he called "urban villages" in a *Wall Street Journal* op-ed that later became an article in *The Atlantic*. But not all of Garreau's observations are derivative. He challenges the idea that Edge Cities, by shunning street culture, are pods of alienation. Indeed, he sees socialization as their primary attribute, with low-rise buildings and campuses affording a comfort level to all but the stranger. And he says traditional urban areas can remain magnets for mass

gatherings such as sports and cultural events.

Garreau neglects to mention that taxation sometimes encourages the movement from downtown. By moving most of its headquarters employees from San Francisco to the East Bay satellite of San Ramon, for example, Pacific Telesis lowered its business taxes per head from $720 to 20 cents.

Edge City offers a few numerical snapshots, such as a table suggesting that in several metropolitan areas, the office-commercial space clustered along the outskirts is twice that downtown. (Usually an Edge City springs up from its proximity to an airport, although Houston's Galleria district, one of those Garreau discusses, is an exception.)

Aggregate data of this building trend collected over time would help the reader feel its sweep, but instead we get a lot of gab. As the pages go by, the author seems to talk to more and more critics of white-bread ways and takes on a little cosmopolitan chic himself, as when he pines for a good deli. But he redeems himself through the voice of a Houston design professional who concludes, "People in the United States are not going to live the way the people in Paris live." This will surely disappoint a great many of his colleagues.

By relying heavily on oral histories, *Edge City* follows the pattern of Richard Louv's recent *Childhood's Future*, which Garreau cites. This narrative technique, however, drags the author in occasionally contradictory directions, depending on whom he's talking to. And it can mislead us about the score, as it were. City councilwoman Linda Nagolski, a "neighborhood activist" (antidevelopment, in other words), was a major source about Phoenix. But her constituents just sent her packing in a local election.

Likewise, the people Garreau talks to but doesn't quote can lead him astray. His acknowledgments suggest he made time mainly for lefties when he hit Southern California. Consider his treatment of one of the nine Edge Cities, Irvine. Its recent history actually supports Garreau's brief against the urban-planning elite, were he willing to remain true to course.

Designed in the 1960s as a touchy-feely community built around a new University of California campus, and to this day planned to a fare-thee-well, Irvine has undergone a fascinating transformation. The explosive growth of offices and industrial parks there, combined with some white (and Asian) flight from older sections of Southern California, has resulted in a population which, if as well-schooled as the early dreamers wished, is nevertheless more interested in new carpets than in New Age.

By moving most of its headquarters employees from San Francisco to San Ramon, Pacific Telesis lowered its business taxes per head from $720 to 20 cents.

But Garreau misses this when he touches on municipal politics in a chat with the founder of a successful start-up church in the area. The fellow, a motivational speaker by calling, oversees a tolerant religion, Garreau explains, as contrasted with " 'obnoxious Christians' [who] spent the previous election trying to run homosexuals out of Irvine." But in that election, a partly secular grass-roots campaign overturned by referendum a gay-rights ordinance enacted by the left-wing majority in the city council. These same lefties had used antigrowth measures to dominate Irvine politics through much of the 1980s.

What does that outbreak of social conservatism have to do with Edge City? Symbolically a lot. The homosexual-rights ordinance was the last straw for a community whose university-tied governing elite, once so entrenched, had lost its connection to the electorate. The voters turned out to be the very kind of young careerists Garreau finds populating Edge City everywhere. Their attitudes about local politics tug them in conflicting directions, as they rue the loss of "place" (the author's metaphor is Walden Pond) that comes with each incremental stage of development but demand nearby workplaces and refuse to curtail their use of that engine of mobility, the personal automobile.

By and large, these people have carried with them, into Edge City's fast-paced existence, the middle-class values they grew up with. A city council wrapped up in homosexual rights, homeless shelters, styrofoam bans, and mass-transit schemes was, it turned out, better suited to the university town that Irvine started out to be than the Edge City it has become. Within months of the gay-protection repeal, the council majority was voted out. Apparently, a new political era has begun in Irvine. Where was the intrepid Mr. Garreau?

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Rand on Rand (Almost)

BY DAVID M. BROWN

Objectivism: The Philosophy of Ayn Rand
By Leonard Peikoff, New York: E.P. Dutton, 448 pages, $24.95

This long-awaited book is Leonard Peikoff's official, Estate-of-Ayn-Rand-approved version of the philosophical treatise that Rand herself never got to write.

Ayn Rand, author of the blockbuster

individualistic novels *The Fountainhead* (1943) and *Atlas Shrugged* (1957), had promised a big book on her philosophy, but despite the burning interest of her fans, allowed the project to lapse. She died in 1982. Now her self-proclaimed "best student and chosen heir," philosopher Leonard Peikoff, offers a hefty exposition. It is not a "critical reassessment" of her ideas; there have already been a few of those, of varying quality and usefulness. Instead, Peikoff seeks to fully elaborate, interconnect, and defend the "Objectivist" insights that Rand hurled forth in her essays and fictional passages. In a way, it's as if Ayn Rand were still alive and writing, only through Leonard Peikoff's brain.

There is nothing of Peikoff's own in here, he claims, beyond the structure and wording: All the ideas are Rand's. "The absence of a reference note in my text does not imply that the point is my own. On the contrary, where no reference is given, the material in all likelihood is taken from the lengthy philosophic discussions I had with Miss Rand across a period of decades....I have not changed or added to any of Ayn Rand's ideas. My contribution is not to the substance of Objectivism, which is entirely Ayn Rand's achievement, but to the form of its presentation."

My suspicion is that Peikoff has pretty much restrained himself in this respect. Nor do other thinkers in the history of Western civilization receive excessive shrift. A passing swipe at Herbert Spencer gets a footnote, but it points us only to another Randian position, not to the relevant passages of Spencer that would enable us to confirm Peikoff's charge. Such documentation would be modern academic paraphernalia, and, Peikoff writes, "Like any proper work of general philosophy, this book is written not for academics, but for human beings (including any academics who qualify)."

It is to be hoped that Peikoff's rather lordly tone will not discourage close attention to his text, because it is a worthwhile achievement. Peikoff is nothing if not dedicated in his discipleship, and these pages bear the fruits of painstaking labor. They clarify a great deal. Ayn Rand's claims about reason, freedom, and rational self-interest—defending *The Virtue of Selfishness*, as she aptly titled one of her essay collections—have spurred some of the most bitter controversy of our times. Certainly her ideas have not been well understood, in or out of academia. With the advantage of his 30-year tutorial, Peikoff is able to amplify details of her arguments, show how the Objectivist system hangs together, and answer many common objections to her views.

Peikoff elaborates and defends the insights Ayn Rand hurled forth in her essays and fiction.

Consider, for example, Rand's attempt to bridge the is-ought gap in ethics, ever the bane of moral philosophers. "How how how," they wonder, "can an 'ought' be derived from an 'is'—a value from a fact?" Rand answers in part that only living creatures face a fundamental alternative, that of life or death, and that "Where no alternative exists, no goals and no values are possible." It is the existence of the alternative that enables goal-directed action, and the objective requirements of sustaining life as the ultimate end that gives rise to (objective) values—values defensible in terms of their life-sustaining service. To nail down her point that only an entity facing the possibility of life or death can pursue goals and have values, Rand gives her infamous example of the "indestructible robot," which, she writes, "moves and acts, but cannot be changed in any respect, which cannot be damaged, injured or destroyed. Such an entity would not be able to have any values; it would have nothing to gain or to lose; it could not regard anything as for or against it, as serving or threatening its welfare, as fulfilling or frustrating its interests. It could have no interests and no goals."

Although the robot was supposed to make Rand's claim "fully clear," some students of Objectivism (to use the '60s term for her fans) were puzzled. OK, Rand's robot has no use for food or shelter, but can't it at least enjoy opera, or maybe Saturday morning cartoons? Might not aesthetic and other cerebral pleasures serve as values which it can seek to achieve notwithstanding its lack of purely physical needs?

This is precisely what Peikoff, drawing on his private chats with Rand, denies. "What about the psychological level?" he asks. "Can this entity, assuming it were to have a conceptual faculty, pursue goals that are not mediated by purely animalistic needs? Can abstract knowledge, say, be a value to it? What for? The robot has no use for knowledge as an aid in achieving its ends; so far, it has no ends. Is money a value to it? To buy what? So far, the robot has no use for material objects or services....Is a trip around the world a value—as relaxation, say, or rest? Rest from what? The thing does not engage in work." Perhaps not every reader will be persuaded by Peikoff's elaboration, but at least there is more grist to chew on now. He provides the same service for many other Randian points, which Rand herself was often too impatient to develop fully.

In her lifetime Ayn Rand covered a wide range of topics, everything from metaphysics—the inextirpable status of "existence" and "identity" as the foundations of knowledge—to the core virtues of the rational man, why capitalism must be justified by an egoistic ethics (religious conservatives just love this one), and the cognitive function of art. It's all

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here in *Objectivism: The Philosophy of Ayn Rand.*

Rand's philosophical writing was always incisive, passionate, and bursting with dramatic flair. Peikoff's philosophizing is driven and relatively dry, but just as clear as Rand's, and, thanks to his comprehensive treatment, often even clearer. Overall, he has written a persuasive and fascinating book that should interest almost anyone intrigued by Rand's work.

The Objectivists argue that the philosophy men hew to is the basic explanation of history and the modern state of the world. If they're right, about that and about their own solutions to historic philosophical questions, then the fate of the 21st century could well hinge on the efforts of writers such as Rand and Peikoff, as well as more original Rand-inspired philosophers like David Kelley. "Ayn Rand's ideas would resolve the contradiction that has been tearing apart the land of the free, the contradiction between its ethics and its politics," Peikoff argues. "The result would be not America as it is or even as it once was, but the grandeur of a Romantic pinnacle: America 'as it might be and ought to be.' "

It is a possibility worth thinking about.

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Witch Hunt

BY CHARLES OLIVER

Inquisition: The Persecution and Prosecution of the Reverend Sun Myung Moon
By Carlton Sherwood, Washington: Regnery Gateway, 705 pages, $29.95

In 1984, investigative reporter Carlton Sherwood received a job offer from *The Washington Times*. Sherwood was then working for CNN, and though he had won a Peabody award for his television work, Sherwood was intrigued by the offer. He had wanted to return to "the relative sanity and stability of a daily newspaper" for some time. Moreover, Sherwood knew that the paper was affiliated with the Unification Church.

Sherwood had made something of a career out of uncovering religious scandals—winning a Pulitzer prize for his investigation of the financial misdeeds of a group of Pennsylvania monks—and he had heard the stories about the Unification Church: love bombing, mass weddings, innocent children turned into mindless zombies. Further, the church's head, the Rev. Sun Myung Moon, was then serving time for tax evasion. This, Sherwood thought, could be a big story.

But a year at the *Times* left Sherwood with little dirt on the Moonies. Few members of the church were actually affiliated with the paper, and the ones he had met seemed decent enough. Then one day Sherwood had drinks with a couple of Justice Department attorneys he had met years earlier. As they talked about what they had been doing in the intervening years, Sherwood told them of his failed attempts to dig up dirt on Moon.

"Both men looked at me slack-jawed and then began to laugh. In short order, they informed me that the Justice Department and virtually every federal law enforcement agency in the country had spent nearly ten years and untold millions in taxpayers' money trying to get the Unification Church, and they had come up empty-handed, too.

" 'What about the tax evasion and conspiracy case against Moon?' I asked. Then they dropped the bomb.

" 'That was a bad case,' one of the lawyers said.

" 'We never had a case,' the other corrected. 'All of the seniors in Tax [career, senior prosecutors in the Criminal Tax Division of the Justice Department] are still bitching about the prosecution which was forced down their throats. The place is in chaos. There's still a lot of very unhappy people there.' "

Stunned, Sherwood began digging into the case more carefully and found something more colorful and frightening than another holy man bilking the gullible out of money. Moon's trial, says Sherwood, was more about his religious beliefs—or public perceptions of them—than about whether he tried to avoid $8,000 in taxes.

In a sense, Moon's trial began long before 1982. It started soon after his religion reached America in the 1960s. The church spread slowly; by 1978, its American-born members numbered no more than 37,000. But the converts that it did attract were unusual: mostly white college kids from middle-class families. The parents of many of these converts were, to put it mildly, not happy that their sons and daughters were devoted to a strange Oriental who claimed to be the third Adam, the man who would complete the work of Jesus Christ. They complained that their children were being brainwashed. And when the white middle class complains, people listen.

Since 1970, almost every media organization, large and small, has run scores of stories on Moon and the Unification Church. After reviewing many of those stories, Sherwood found that Moon's "media coverage hasn't been merely bad; it has been devastatingly awful....Actually, in reviewing the American press' coverage of the church story over the last score of years, my conclusion is that Nazis would have gotten a more sympathetic treatment."

Hyperbole? No. Sherwood walks us through the stories, from the tone-setting 1972 articles in *Time* and *Newsweek* to the hatchet-job-cum-exposé of church financial dealings by *The Wall Street Journal* in 1982. In each case, the press uncritically accepted the charges against the church: that it brainwashed children, that it demanded near-slave labor of its members, and that it wielded control over a large and powerful financial empire. The truth: Converts were almost always adults. Most church members engage in volunteer work just as Baptists, Mormons, and Catholics do, but it isn't required. And while the amount of control

the church wields over its financial properties may be debated, its American holdings are small, and most lose money.

By the mid-'70s, the public hatred of Moon grew so great that "cult deprogrammer" Ted Patrick, a street thug with a long rap sheet, became a media hero by hiring himself out to parents to bring their (adult) children back to normal. Patrick's methods were simple. He or his employees would kidnap church members, hold them against their will, and berate them until they denounced Moon.

Sherwood notes that the media became skeptical of Patrick and his methods only after he and his colleagues started "deprogramming" Mormons, charismatic Protestants, two sisters who hadn't converted to any cult but who had disappointed their parents by no longer going to church, a radical activist whose mother disapproved of her politics, and an alleged lesbian whose parents objected to her living with another woman.

But those events happened in the late '70s. In 1976, Moon was one of the most vilified men in America. And Sen. Robert Dole (R-Kans.) wanted to climb the political ladder. Attacking the unpopular Moon seemed a perfect step. In February, Dole wrote letters to the IRS and immigration officials outlining his concerns about the Unification Church. He held public hearings on the Moonie menace. Dole was the ranking Republican on the committee that handled the agency's budget, and the IRS, not surprisingly, began an audit of Moon on the day it received Dole's letter.

Given the scrutiny that the media and government were giving Moon in the '70s, he probably should have kept a sharp eye on his finances and hired trained professionals to keep the books for the church. He did neither. Contrary to his public image, Moon actually appears to be more interested in the Kingdom of Heaven than in his earthly empire. And he allowed church members whose only training in accounting was filling out their own 1040 forms to keep his books and file his taxes.

So it came as no surprise that the IRS found Moon's records, which he voluntarily turned over to them, to be a mess. Moon appeared to have underpaid in some years, perhaps overpaid in others. He may have been trying to hide income. Given their inexperience, however, Sherwood thinks it more likely that Moon's accountants just didn't know what they were doing.

Under ordinary circumstance, Sherwood argues, Moon would have been fined for back taxes but not prosecuted. Indeed, three separate reviews by the Justice Department's tax division recommended against prosecution. This was the last break Moon was to have. His luck was very bad.

First, Martin Flumenbaum, a young attorney in the Justice Department's New York office, got the case, and he refused to let it go. He phoned his superiors in Washington. He flew down several times. And, somehow, he convinced them to overrule the recommendations of their own tax-law experts.

Second, Moon's right-hand man, Takeru Kamiyama, was brought before a grand jury. Kamiyama is Japanese and had to have a translator. And under the rules of the court, the prosecutor got to pick the translator. The young man picked had no formal training in simultaneous translation and was not certified for legal translation. And he had seemingly little grasp of either Japanese or English.

He began his mistakes during the swearing in when he told Kamiyama that he would be "criticized," not prosecuted, for false testimony. At some points, the prosecutor would ask one question, the translator would ask Kamiyama something completely different, Kamiyama would answer the question asked, and the translator would give a totally different answer. Sherwood lists dozens of examples. For instance, the prosecutor at one point asked Kamiyama if he had loaned a particular company $200,000. The translator asked if Kamiyama had *received* $200,000.

How does Sherwood know? The prosecutor had a trained expert go over the tapes of the proceedings. The second translator found dozens of material mistakes in translation. Detailed discussions of Moon's finances were bungled. But the prosecutor didn't share this report with the defense.

So Moon and Kamiyama went to trial. And things got worse. Their attorneys hired a polling firm to guide them in selecting a jury. The pollsters had never seen numbers like Moon's. They found that it would be difficult to find jurors who didn't have strong negative feelings toward Moon and almost impossible to find someone who hadn't been exposed to anti-Moon stories. Further, middle-class jurors—the ones most likely to understand the complexities of a tax case—had the strongest feelings against Moon.

Then Moon drew as a judge a former prosecutor who, during the trial, compared the minister to convicted mass murderer Wayne Williams, Adolf Hitler, Al Capone, Fagin, and Richard Nixon.

The prosecution's game plan was simple: Bury the jury under a mountain of financial documents (over 1,000 pieces of evidence were entered) and use every opportunity to remind the jurors of Moon's strange theology, the rumors of brainwashing, and his allegedly extravagant lifestyle. The defense objected, of course, but they were usually overruled from the bench. The jury found Moon guilty.

Sherwood recounts the trial and the appeals in exhaustive and well-documented detail. While proving his point, the author winds up numbing the reader. His editors should have forced him to trim his manuscript.

There's one sad footnote to this sordid story. Moon and Kamiyama were convicted, sentenced, and jailed voluntarily. As foreign nationals, neither had to submit to the "justice" of the American courts. Tax evasion is not subject to extradition, and the government placed no travel restrictions on either man. Both Moon and Kamiyama left the country several times during their appeals, and they could easily have never returned. But each did. Both served their time without a single public complaint.

Charles Oliver is assistant editor of REASON.

PIGS!

BY THOMAS W. HAZLETT

Want to make some really easy money? Do you want to be rich, filthy rich, like your stockbroker before the '87 crash? Do you want to live in a big, fabulous house with whirlpool jets in the master tub? To send your kids to fancy private schools? To cruise about town in a brand-new German luxury sedan?

Aha! You *do*, you greedy little piglet. You have been smoked out as just the social scofflaw you truly are. You care nothing about your fellow man, your community, the deeper human values. You are a small, small human being. And it is greed—*your* greed—that is tearing our once-lovely nation apart. From the S&L fiasco to the recession to the homeless problem to the towering federal deficit, it's all your fault. Go to your room!

You've heard it before; you'll hear it again: Greed is that virulent biological agent released into the body politic on or about January 20, 1981, by that evil public-policy dominatrix, Nancy Reagan. In Nancy's Roaring '80s, rich was in and everyone clawed for the big bucks. (Don't be so garish as to point out that the 1970s were dubbed the Me Decade, and that—really—they occurred before the '80s.) And today we are nursing the societal hangover.

It is a very cute story line and would make a swell Movie of the Week (surely starring Joan Collins as Nancy). But *TV Guide* would have to list it as New Age Fantasy. The S&L execs were no more or less avaricious in the '80s than before (although the formerly honorable Jim Wright, Tony Coelho, and Alan Cranston became a bit more ambitious in their constituent-service offerings); nor did private charity dry up (per-capita contributions doubled during the '80s); nor did the growing economy hurt the poor (it created millions of jobs for recent immigrants and other people with modest skills, which tends to drag down average wages). But hey, if it gets ratings, let's go with that greed thing.

The press will play the greed story big-time from now until Election Day. It is an attack on you, the voter: You want lower taxes but higher spending. You want to give government less but demand that government give you more. You want it all—and it is *your* selfishness that is ballooning the federal deficit.

Well, wake up and smell the decaf. The ballot choice we give you does not allow, let alone force, a reasonable squaring of the costs of government with its benefits. It's slipshod accounting and creates perverse incentives, but it's surely not the individual voter's fault. The voter is asked, on a categorical basis: Do you want lower taxes? Next, the voter is asked, without qualification: Do you want more government spending on social services? What kind of knucklehead wouldn't answer yes to both questions?

Economist Mark Zupan notes that voters actually try to solve this dilemma in a reasonable way, by voting for a Republican president (better to limit total spending) and a Democratic congressman (better to allocate some of that spending to the home district). Zupan also finds that this executive/legislative ticket splitting trickles down to state and local rates. Until the gamesmanship of pork-barrel politics is routed by giving folks a chance to vote on spending *as a whole*, voters will continue to do what is logical.

Meanwhile, a truly and amazingly selfish campaign now being waged for votes is receiving lavish praise in the press. Sen. Harris Wofford's "America First" barnstorming overwhelmed the too-respectable Richard Thornburgh in Pennsylvania, and the craze is sweeping the country. Forget about democracy for Russia and the Ukraine; starvation in Kiev is nothing compared to the folks back home who have to drive that '88 Ford Bronco an extra year.

Playing to fears of economic hard times, scaring the home folks with talk of drowning in a sea of Asian imports (David Duke loves this Gephardt protectionist line, too), the message is clear: Making the world safer or freer for millions of (poor) people who live far away and have no electoral votes is a big waste of time. Mean-spirited, selfish, short-term piggishness inspired by the Reagan years?

In the wonderful film *Dangerous Liaisons*, a mercilessly womanizing viscount (John Malkovich) attempts—on a dare from a cruel-hearted noblewoman (Glenn Close)—to seduce a pure, beautiful, and very married contessa (Michelle Pfeiffer). To attract her attentions, and to deflect his own scandalous reputation, the viscount arranges to visit the shack of an impoverished peasant family on the very day they are being evicted by guards of their cold-blooded lord. Flipping the pathetic innocents a few gold coins, he not only earns their undying loyalty by putting off their ultimate destitution by a few weeks, he actually ends up scoring with the contessa.

Ostentatious tosses of gold—grabbed out of other people's satchels—currently constitute purity of public spirit in America. "Boldness" is demonstrated by the more aggressive grabbing and the more ostentatious tossing. To raise taxes has, incredibly, become a statesmanlike display of political self-sacrifice.

In the bitterly sad *Liaisons*, the contessa is tricked into falling madly in love with the viscount. She promptly dies of a broken heart. I don't believe the taxpayers today enjoy quite this level of romance, although the pain is mounting. If the taxpayers are greedy in their desire to hang on to their precious nuggets, the question arises: How is it altruistic for the statesman to snatch them?

Contributing Editor Thomas W. Hazlett teaches economics and public policy at the University of California, Davis.

$ THE RADICAL CAPITALIST™

The Radical Capitalist has been infuriating statists, heartening the partisans of liberty, and enlightening the undecided since 1982. Here's why:

Standing on principle

Dare we stand on principle while the shelterless maunder, while workers lose their jobs and investors their capital, and while the lives of addicts self-destruct, neighborhoods crumble, and the most moronic street-punks prosper?

If the principle is individual rights – the principle upon which laissez-faire capitalism is based – the answer is *yes*.

It is only according to this standard that one may distinguish between the man who is homeless because rights – the rights of himself and everyone else to one's own life and property – are *protected* by government, and the man who is homeless because these rights are *ignored* by government. Only according to this standard is one able to determine the degree to which business and industrial concerns are naturally encumbered by poor management and/or the aggressive competition of rivals, and the degree to which they are encumbered by the meddling of government dilettantes. Only according to this standard is one able to distinguish the evils entailed by drug addiction itself from the evils entailed by the criminalization of production, consumption, and trade.

When a nation's government appoints itself the (armed) guilty conscience of its private citizens, when individual dynamism is regarded as an unruly child (at best) and the social evil that government was created to restrain (at worst), when the conditions upon which the construction of low-cost housing *at a profit* are explicitly denied due to the vaunted evil of "profiting from the poverty of others," when existing businesses die and their nascent counterparts never come into existence because it is illegal to pay *willing* employees a market rate below a government-mandated level, then one must expect that the poorest, the least skilled, and the least educated will be the first victims of homelessness. – And when the most ambitious of these receives his last eviction notice, neither the cause nor his values will be identified by his self-proclaimed benefactors. Instead, he will be portrayed as indistinguishable from the hobos, indolents, parasites, and thieves who would be homeless under the best economic circumstances, on the grounds that his (and their) essential, distinguishing characteristic is *lack of shelter*. And when he has struggled out of the social trench into which the statists have pressed him, he will be solicited, harangued, and taxed to shelter hobos, indolents, parasites, and thieves.

Or are we to pretend that the undifferentiated "homeless" would be able to live in modern dwellings were it not for the selfish concern the rational individual has for his own interests and values? Are we to pretend, in the face of logic and history, that buildings will be built, technologies developed, and health care provided, *after* the producer has surrendered his selfish interest in building, developing, and providing? Are we to pretend that an enlightened government is one that holds the extortionist's gun to the producer's head, forcing him to spend a precious portion of his finite life in the construction of modern dwellings for every person who "needs" one?

From "The Lonely Room"
by Dan Roentsch, Volume VI, No. 2

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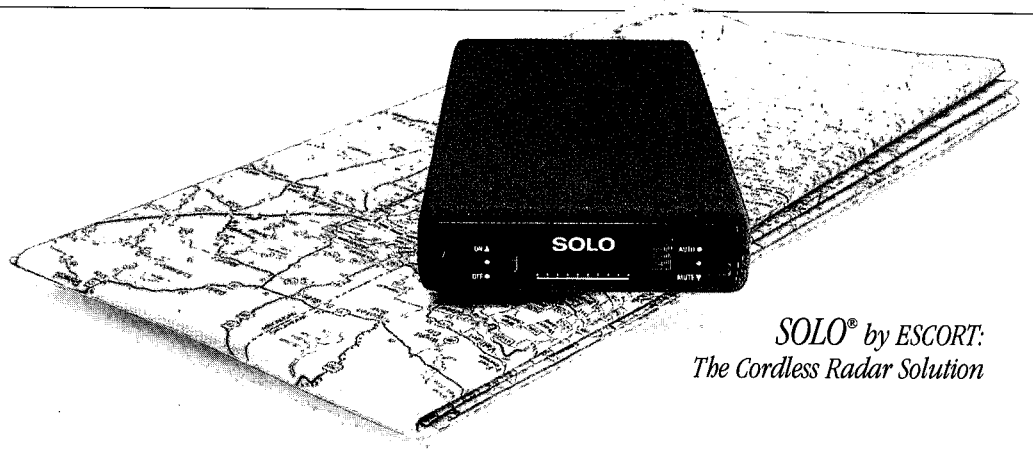

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